

2010/2011 ANNUAL REPORT



Chapter 1

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VISION

To be a preferred investment destination with superior and sustainable service delivery.

MISSION

Umuziwabantu shall create an environment that is attractive to investors, thereby creating jobs and improving the quality of life.

Acronyms and Abbreviations

MIG	Municipal Infrastructure Grant
DBSA	Development Bank of South Africa
NRW	Non-Revenue Water
DWARD	Department of Water Affairs and Rural Development
PMU	Project Management Unit
EHP	Environmental Health Practitioners
ISD	Institutional and Social Development
JIPSA	Joint Initiative on Priority Skills Acquisition
ASGISA	Accelerated and Shared Growth Initiative-South Africa
IDP	Integrated Development Plan
SDBIP	Service Delivery and Budget Implementation Plan
SDIP	Service Delivery Improvement Plan
MSA	Municipal Systems Act
MFMA	Municipal Finance Management Act
GDS	Growth and Development Summit
COGTA	Corporate Governance and Traditional Affairs
EIA	Environmental Impact Assessment
DAEA	Department of Agriculture and Environmental Affairs
HIV	Human Immune Deficiency Virus
AIDS	Acquired Immune Deficiency Syndrome
CDW	Community Development Worker
PVA	Public Viewing Area
OHS	Occupational Health and Safety
DMAF	Disaster Management Advisory Forum
HIRA	Hazard Identification and Risk Management
EPWP	Expanded Public Works Programme

1.1 Executive Summary

The Umuziwabantu Local Municipality's Annual Report has been developed according to the provisions of Section 121 of the Municipal Finance Management Act (MFMA), 56 of 2003 and Section 46 of the Local Government: Municipal Systems Act (MSA), 32 of 2000.

According to the National Treasury guidelines for the preparation of the Annual Report, the report should comprise five chapters to reflect the key activities undertaken within the organisation during the year under review. A brief summation of what is contained in each chapter is outlined below.

Chapter 1: This chapter contains the geographic location of the Municipality as well as the population dynamics of the municipality. Key to this chapter is the consultative processes that the Municipality embarked on, which led to the creation of the IDP document. The chapter touches on issues of governance and how the Council is constituted.

Chapter 2: This chapter reports and highlights some of the key achievements and challenges of the organisation during the year under review.

Chapter 3: This chapter reports on the programmes designed by the Municipality to improve employment equity and skills development. It also highlights Human Resource Management Policies and Practices that have been carried out to build staff capacity. To ensure transparency, issues of remuneration of Senior Management have also been covered.

Chapter 4: This chapter has the Municipal Annual Financial Statements; Audit Report and Municipal Corrective measures for the year under review.

Chapter 5: This chapter reports on the progress on service delivery and development for the year under review. The format used in reporting is in line with the National Treasury guidelines. Performance progress is reported according to the five National KPAs and also highlights the challenges experienced as well as progress made in addressing those challenges. The increased compliance level is reflected by the timely preparation and approval of the IDP, Budget, SDBIP, PMS, Performance Contracts, Work-Place Skills Plan and the Annual Financial Statements.

1.2 Legal Framework

The 2010/2011 Annual Report has been prepared in accordance with the provisions of Section 121 of the Municipal Finance Management Act (MFMA), 56 of 2003 and Section 46 of the Local Government: Municipal Systems Act (MSA), 32 of 2000. The Annual report oversight report was thereafter approved by the Municipal Council after following all the processes prescribed by Section 129 of the MFMA. In compliance with the provisions of the MFMA, this Annual Report was tabled by the Mayor at a Municipal Council meeting held on 25 January 2012, as prescribed by Section 127 of the MFMA, and was thereafter publicised for comments, in terms of Section 21(a) of the MSA.

The Annual Report has been considered by the Standing Committee on Public Accounts assigned by the Municipal Council to function as an Oversight Committee, which Oversight Committee is as directed by Section 129 of the MFMA, to assist the Municipal Council in considering the Annual Report. The report of the SCOPA is included in the Annual Report and therefore made public in terms of Section 21(a) of the MSA.

In presenting this report for the financial year ended 30 June 2011, we acknowledge progress made during the 2010/2011 financial year and the challenges that lie ahead. A detailed account of all the challenges and remedial actions going forward has been provided within this report.

1.3 MAYOR'S FOREWORD



I have great pleasure in presenting to the Council and the people of Umuziwabantu Municipality, and to our stakeholders in general, this Annual Report for the Financial Year 2010/2011.

Significantly, this report mirrors the activities and achievements of the previous administration under the erstwhile of Umuziwabantu Municipal Council .It portrays the final chapter of the five year- term of the previous Council, and the extent to which the resources and infrastructure capacity have been able to influence development and service delivery during the period under review.

The Annual Report contains the demographics and other profiles of the local area and its people, and also highlights the factors that influenced development and growth of the municipality.

In essence, the report captures the extent to which the Municipality has responded to the will and expectations of the communities based on the Council approved Integrated Development Plan of the period under review. The report presents how the Municipal resources were utilized and as such contains the audited consolidated Annual Financial Statements of the municipality. The report contains performance information and how the Municipality implemented its Service Delivery & Budget Implementation Plan (SDBIP).

In presenting this Annual Report, I acknowledge the role played by the municipal administration in providing information for both public reporting and auditing purposes. However, it is important to note that while greater effort has been put in addressing financial management and governance of the municipality, the internal control environment still require significant improvements in order for the Municipality to achieve a **"Clean audit "**

Notwithstanding the fact that our successes are real and measurable and that our achievements are a source of pride to us, it will of course remain true for some time to come that the challenges of poverty, underdevelopment and the historical legacy of neglect will remain with us beyond the term of office of any elected office-bearer

I look forward together with the Executive Committee, the whole Council and the municipal administration, to continuing to work for the building of a transformed Umuziwabantu Municipality in which our vision will be a practical reality. We are positive that the Municipality's future holds the promise of a better life for all who may wish to live and work here.

Councilor Dixie Nciki

Mayor: Umuziwabantu Municipality

1.4 Municipal Manager's Statement



This report is one of the many tools used by the municipality to communicate with all stakeholders about the municipal performance, both financial and non financial for the year under review, in this instance 2010-2011. The report is compiled annually in compliance with the Municipal Systems Act and the Municipal Finance Management Act.

One unique thing about this report is that it covers work of two councils, as the new council was inaugurated on 01 June 2011, a month before the end of the financial year we are reporting on. As such, I take this chance to express my sincere gratitude to the previous council for the sterling work they did since 2006. I had the privilege to be part of and be led by the team whose mandate was to stabilize and put back on track a municipality which was unstable since its establishment in 2001. I am also pleased that the transition from one council to the new was smooth and had no negative impact on the administration of the municipality.

I am also pleased to report to council and the community at large that after thorough audits by the Auditor General, for four consecutive financial years including the year we are reporting on, the municipality has obtained Unqualified Audit Opinions. This is indeed heartening as it is an indication that the municipality has turned the corner and is moving in the right direction towards the achievement of a clean audit by 2014. For this I thank the political leadership of the municipality for the role they played in turning this municipality around and the sterling work done by the administration towards the attainment of this good report.

This report includes three components which are critical for a sound annual report i.e. The 2010-2011 Annual Financial Statements; Auditor General's Report and the municipal performance report. Whereas the auditor general's report is the external and independent opinion of the municipal financial and performance information, the performance report is the deals with the attainment of predetermined targets by the municipality. I invite all stakeholders to delve into these reports as a way of ensuring that our democracy is strengthened through knowledge, public scrutiny and transparency.

I take this opportunity, in conclusion, to thank all role players who contributed positively towards good governance of this municipality, more especially the political leadership, municipal staff, ward committees and our public at large.

Thank you.

Mr Sazi Mbhele
Municipal Manager



1.5 Audit Committee Chairperson's Report

We are pleased to present our report for the financial year ended 30 June 2011.

1. Audit Committee Members and Attendance

In terms of the Municipal Finance Management Act (MFMA) and the Umuziwabantu Municipality's Audit Committee Charter, the Audit Committee as at the 30 June 2011, included four external independent members. None of the members were Councilors.

Prior to the review and subsequent approval of the Audit Committee Charter in March 2011, the membership composition of the Audit Committee included the Municipal Manager and Chief Financial Officer. The Audit Committee included the following members listed hereunder and has met regularly, as per its approved Charter. During the year under review six meetings were held and attended as the schedule below. The following schedule includes attendance to all Performance Audit Committee meetings:-

External Members:-

Name of member	Qualification	Appointed	Resigned	Meetings Attended
Mr. Paul Preston	BA LLB	01/07/2010	N/A	5 of 6
Mr. Siphon Nzuzo	B.Com, MBA	01/02/2011	N/A	3 of 6
Ms. Chantel Elliot	B.Com (Hons), CA(SA)	01/02/2011	N/A	3 of 6
Mr. Imraan Lockhat	B.Com (Hons), CA(SA)	01/02/2011	N/A	3 of 6
Mr. Silas Hlophe	B.Com(Hons), H Dip Tax	01/07/2010	31/12/2010	3 of 6
Mr. Tumelo Tsotetsi	B.Com(Hons), CA(SA)	01/07/2010	31/12/2010	2 of 6

It is to be noted that the external Membership of the Audit/Performance Audit Committee had undergone a reconstitution twice during the year under review, hence the fluctuating attendance statistics. This did not apply to the internal members for the same reporting period. It is to be noted that with the advent of the new committee, many changes were imminent, one of which was the adoption of the new Audit Committee Charter to exclude internal membership thus ensuring alignment to the King III legislative principles and directive on the matter of independence.

2. Audit Committee's Responsibilities

The Audit Committee's responsibilities are outlined in Section 166(2) of the Municipal Finance Management Act, 56 of 2003. The Audit Committee has adopted appropriate formal terms of reference as its Audit Committee Charter, has regulated its affairs in compliance with this Charter and has discharged all its responsibilities as contained therein. A summary of the Audit Committee's responsibilities in terms of the MFMA and its Charter is that it is responsible for, among other things, the following:

Auditors and External Audit

Discuss and review with external auditors, inter alia:

- the nature and scope of the audit function;
- Agreeing to the timing and nature of reports from the external auditors;
- Considering any problems identified in the going concern of the Municipality;
- Review the Auditor-General's management letter and management response; and
- Meeting the Auditor-General at least annually to ensure that there are no unresolved issues of concern.

Annual Financial Statements

- review and discuss the unaudited annual financial statements with the Accounting Officer prior to presentation of the foregoing financial statements for audit together with recommendations, if any,
- review and discuss with the Auditor-General and the Accounting Officer, the audited annual financial statements to be included in the Annual Report;
- Review significant adjustments resulting from the audit;
- Review the adequacy, reliability and accuracy of the financial information provided to management and other users of such information.

Performance Management

- Review of the quarterly reports submitted by internal audit on the performance management system;
- Review the performance management systems ensuring functionality thereof and compliance with relevant legislation;
- Focus on economy, effectiveness, efficiency, reliability and impact applicable to the Municipality's own key performance indicators; and
- Reporting on the outcomes of its review and focus areas to the Council, at least twice per annum.

Internal Control and Internal Audit

The monitoring and supervising of the effective function of the internal audit including:

- Review risk areas of the operations to be covered in the scope of the internal and external audits;
- evaluating performance, independence and effectiveness of internal audit and external service providers through internal audit;

- review the effectiveness of the internal controls and to consider the most appropriate systems for the effective operation of its business; and
- Initiating investigations within its scope, e.g. employee fraud, misconduct or conflict of interest.
- Interrogating Supply Chain Management including deviations in terms of Section 36 of the Municipal Supply Chain Regulations, and with further reference to threshold amounts in Section 12, and Awards to members of the State in terms of Section 44.

Ethics

Reviewing the effectiveness of mechanisms for the identification and reporting of:

- any material violations of ethical conduct of Councillors and municipal staff;
- compliance with laws and regulations; and
- Environmental and social issues.

Compliance

- Carrying out investigations into financial matters as Council may request;
- Reviewing the effectiveness of mechanisms for the identification and reporting of:
 - compliance with laws and regulations; and
 - The findings of regulatory bodies or audit observations.

The Audit Committee is satisfied that it has complied with its responsibilities and has discharged them properly and efficiently.

3. The Effectiveness of Internal Controls

The system of controls is designed to provide cost-effective assurance that assets are safeguarded and that liabilities and working capital are efficiently managed. In line with the MFMA and the King III Report on Corporate Governance requirements, Internal Audit provides the Audit Committee and management with assurance that the internal controls are appropriate and effective. This is achieved by means of the risk management process, as well as the identification of corrective actions and recommended enhancements to the controls and processes. The Municipality's position was made difficult by having no Chief Financial Officer for most of the year in question.

The system of internal control was not entirely effective during the year under review as compliance with prescribed policies and procedures were lacking in certain instances. During the year under review several instances of non-compliance were reported by Internal Audit that resulted from a breakdown in the functioning of controls. Various reports of the Internal Auditors as well as the Audit Reports on the Annual Financial Statements and Management Letter of the Auditor-General indicated that the system of internal controls within key management processes had significant weaknesses. The Committee concurs and accepts the findings and recommendations of Internal Audit and is satisfied that once management has implemented the agreed recommendations that this will enhance the current control environment and effectiveness of internal controls.

4. The Quality In-Year Management and Monthly/Quarterly Report Submitted in terms of the MFMA

The Audit Committee received and reviewed performance management reports and is satisfied with the content and quality of these quarterly reports prepared and issued by the Accounting Officer and management during the year under review.

5. Internal Audit Function

During the year under review, an audit plan was prepared based on the Annual Risk Assessment. The following is a list of projects undertaken by Internal Audit, arising from the risk assessment and the overall conclusions of the effectiveness of internal controls:

- Quarterly Reviews of the Performance Management - Quarter 3 & 4 of 2009/10 and Quarter 1&2 of 2010/11
- Payroll Administration (Leave, Time Management & Overtime)
- Contract Management
- Corporate Administration
- Information Technology General Controls – Risk assessment
- Municipal Finance Management Act Compliance Audit
- AG Follow-Up
- Asset, Fleet Management & Stores
- Review of Supply Chain Management
- Revenue Management
- Integrated Development Plan

An annual assessment of the Internal Audit Function had been completed by the Audit Committee. The Audit Committee is satisfied with the performance of the Internal Audit Function and reports that all projects in terms of the approved Risk Based Annual Internal Plan has been duly finalized for the year under review.

6. Evaluation of Annual Financial Statements

The Audit Committee has:

- reviewed and discussed with the Auditor-General (SA) and the Accounting Officer the audited Annual Financial Statements to be included in the Annual Report;
- reviewed the Auditor-General's management letter and management responses;
- reviewed the accounting policies and practices;
- evaluated the audited Annual Financial Statements to be included in the Annual Report and, based on the information provided to the Audit Committee, considered that the said statements comply in all material respects with the requirements of the MFMA and Treasury Regulations as well as the statements of Generally Recognized Accounting Practice (GRAP).
- Reviewed the particulars of the management action plan in response to the issues raised by the Auditor-General in his report.

7. Audit Report: Regularity and Performance: FYE 30 June 2011

The Chairman reserves his right to complete this section at the appropriate time of completion.

8. Annual Report: FYE 30 June 2011

The Chairman reserves his right to complete this section at the appropriate time of completion.

9. Conclusion

I would like to thank my remarkably competent colleagues for making themselves available to serve on this Committee and for the significant contribution that they have made. As an Audit Committee, we rely to a great extent on the Manager: Internal Audit and his staff in the Internal Audit Department for their support and assistance and, in particular, for the role they continue to play in improving the accounting and internal auditing systems and controls at Umuziwabantu Municipality.

We are indebted to them for their efficient service and assistance.

We are also grateful to the Municipal Manager, KZN Provincial Treasury, the Office of the Auditor-General (SA), Co-Operative Governance and Traditional Affairs (CoGTA) and other invitees to our meetings, including the external service providers, all of whom provided invaluable information to the Committee.



Mr. Paul Preston

Chairperson: Umuziwabantu Municipality
External Audit/Performance Audit Committee
Date: 18 October 2011

Introduction

It is my great pleasure to present the 2010-2011 Annual Report of Umuziwabantu Municipality to this Council. By law, this report must report on progress made by this municipality in line with its budget of the financial year under review.

This report reflects the achievements and challenges against all the five key performance areas which are prescribed nationally. These key performance areas are as follows:

- Basic Service Delivery and Infrastructure Development.
- Municipal Financial Liability and Management.
- Municipal Transformation and Development.
- Local Economic Development.
- Good Governance and Public Participation.

The municipality's 2010/ 2011 Annual Report document represents the long journey that has been traversed by the Umuziwabantu Municipality with regards to service delivery to its citizens. It represents a rigorous process, shared analysis with the community and various stakeholders within the 2010/2011 financial year in making sure that the municipality fulfills its responsibility of being a developmental local government.

Both the political and administrative leadership of the municipality, together with our partners in development, collectively understand the common vision of developing the area. There were various strategic planning workshops, municipal indabas, municipal Integrated Development Plan (IDP) and Budget Road shows, and summits that held in an attempt to create a new development approach that needs to be undertaken by the municipality to guide its development towards the achievement of its vision in 2014.

The development of the Umuziwabantu municipality's IDP, which in principle is reviewed annually, is based on the meaningful contributions that have been made by the members of the community. This has allowed the development of new strategies that ensures that the municipality is still on the right track in fulfilling its development mandate.

We have used the five (5) National Key Performance Areas as our Key Focus Areas that will continue to guide us in our strategic direction. However, the programmes / projects have been refined and refocused in order to be more effective and maximize the service delivery benefits accruing to the community.

1.6 Municipal Overview and Profile

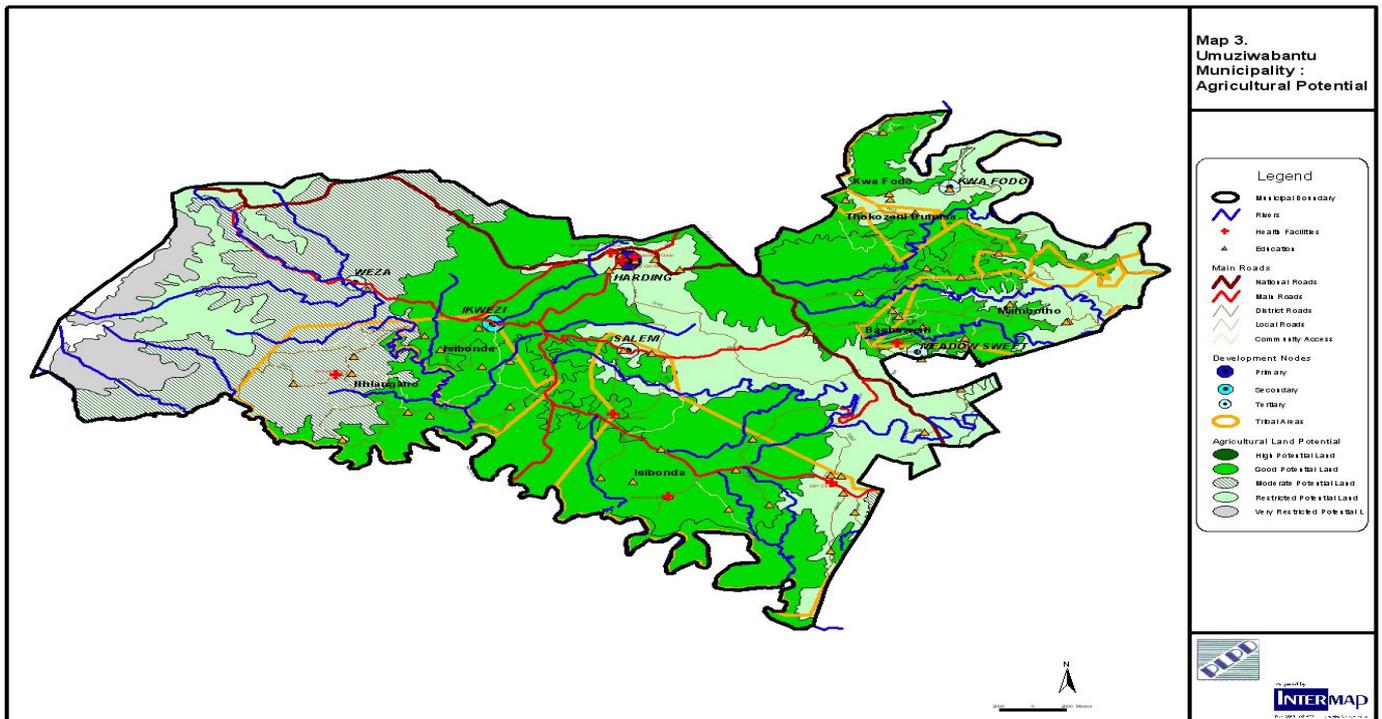
The Umuziwabantu Municipality is located on the western boundary of the Ugu District Municipality and shares its borders with the Eastern Cape; Sisonke District and to the east with the Umzumbe and Ezingqoleni Municipalities. The extent of the Umuziwabantu Municipal area is 10 862 ha (1088 km²). This area is constituted as follows: **Farmlands, Urban, Tribal, and Forestry.**

Umuziwabantu Municipality consists of 10 wards with six tribal authorities which are listed below:

- ⇒ Ward 1: Nhlangwini, KwaFodo, KwaMbotho and Thokozani Madumisa Tribal Authority and farmland.
- ⇒ Ward 2: KwaMbotho and Bashaweni Tribal Authority and farmland.
- ⇒ Ward 3: Harding, part of KwaMbotho Tribal Authority and Farmland.
- ⇒ Ward 4: Part of Izibonda Tribal Authority (Kwa-Machi)
- ⇒ Ward 5: Part of Izibonda Tribal Authority (Kwa-Machi).
- ⇒ Ward 6: Part of Izibonda Tribal Authority (Kwa-Machi)
- ⇒ Ward 7: Part of Inhlangano and Izibonda Tribal Authority, Weza State Forest and Farmland
- ⇒ Ward 8: Part of Izibonda Tribal Authority (Kwa-Machi)
- ⇒ Ward 9: Part of Inhlangano and Izibonda Tribal Authority

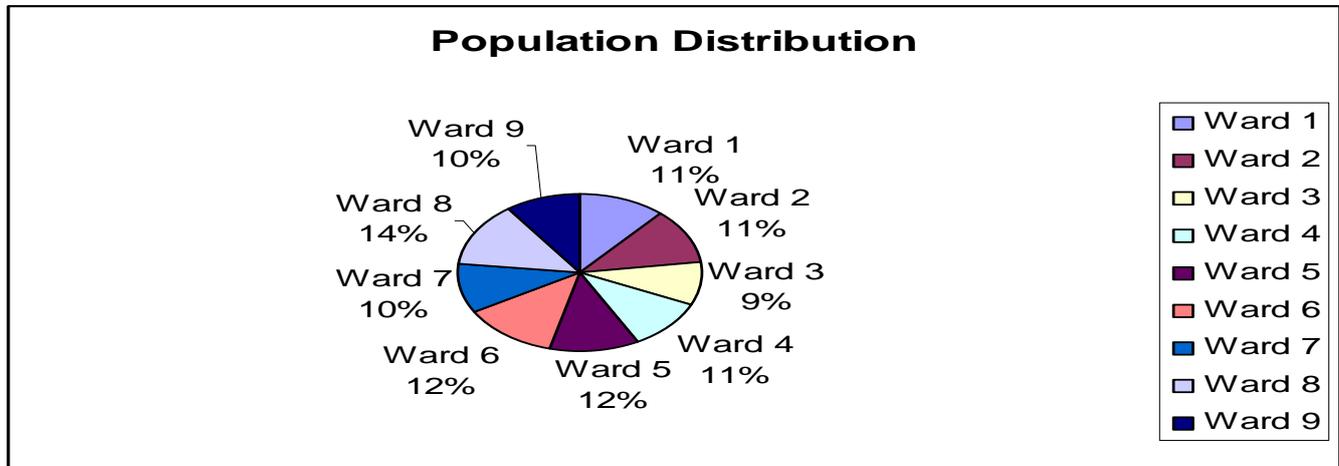
The spine road at Umuziwabantu is the N2 which connects this municipality with Ezingqoleni and Port Shepstone on the east and the Eastern Cape on the south east. Connected to the N2 is R56 road which passes through Umzimkhulu; Ixopo and ultimately Pietermaritzburg.

Population Distribution



In terms of Census conducted in 2001 by Statistics South Africa (2001) Umuziwabantu had a population of 93 720 people, however the 2007 STATSSA community survey estimated the population to have grown to 104 000. A 9.2% increase in 10 years. The statistics show that

approximately less than 9% of the population is located within the urban area (Harding Town). The rest of over 91% resides in rural areas, which are characterized by low density and dispersed settlement pattern.



Umuziwabantu Municipality's Vision and Mission

VISION

To be a preferred investment destination with superior and sustainable service delivery.

MISSION

Umuziwabantu shall create an environment that is attractive to investors, thereby creating jobs and improving the quality of life.

Core Business

The core business of Umuziwabantu Municipality is to provide and facilitate provision of social, economic, agricultural, infrastructural and sustainable services to the community of this municipality in an equitable and fair manner, transparent and reliable to all inhabitants.

Umuziwabantu Municipality's Process and Status IDP development

In line with the provisions of the Act (MSA, 2000), the Council adopted the 2010/2011 IDP process plan to develop the IDP in August 2009. It further made an invitation via the media for members of the public to register their interest to participate as different interest groups and give direction in terms of Institutional Arrangements, Mechanisms and Procedures for Participation and Alignment, IDP Review Action Programme, and break down the roles and responsibilities.

The IDP Review for 2010 /2011 financial year was prepared in terms of chapter 5 of the Local Government: Municipal Systems Act (Act No 32 of 2000). As mentioned above, the Council adopted its IDP Review Process Plan, for the financial year under review, on the 31st of August 2009. The IDP Review took into consideration the MEC comments that were raised in the 2009 /2010 IDP Review.

There were a number of IDP strategic Planning Sessions which took place between January and February 2010, which involved sector departments, municipalities, stakeholders and private sector aimed at strengthening; integrating; promoting partnership and public participation as well as ensuring that there is alignment of programs and projects between the municipality and the public and private sectors.

During the IDP road shows in March and April, the following key issues were raised as challenges:

- High rate of unemployment
- High Poverty rate
- Low income levels
- Average economic growth
- Transformation on the ownership of land
- Slow delivery on Land Reform Programme
- Land use planning: sparsely distributed population and topography resulting in costly provision of services
- Limited economic potential in rural areas / poor investment in the area due to land under the Ingonyama Trust
- Environmental health and management related issues
- High prevalence of HIV/AIDS
- Skills shortage
- Absence of tertiary education facilities
- High number of child-headed households
- High illiteracy (large percentage of children of school going age are not attending school)
- Water and sanitation backlogs
- Limited and lack of access to schools and basic care centres
- Housing and electricity backlogs
- Limited access to telecommunication
- Poor condition of roads and transport.

IDP Alignment and Strategic Sessions:

At a strategic planning meeting in January 2010, Umuziwabantu Municipality resolved on the following developmental priorities and high level objectives:

Developmental Priorities

The Integrated Development Plan (IDP), Local Economic Development (LED) and Land Use Management Systems (LUMS) have mapped out priorities and goals that recognize pressing needs of both local municipality and community and further outline strategies which will effectively lead to redressing the complexities. The municipality has identified developmental strategies classified under the Five National Key Performance Areas.

High Level Objectives

Office of the Municipal Manager:

- To promote a culture of participatory democracy and integration
- To facilitate the creation of a safe environment for all inhabitants
- To fast track the spatial, economic and social integration.

Corporate Services:

- To ensure sustainable institutional capacity
- To promote and uphold principles of good governance
- To manage institutional risks.

Finance:

- To reduce dependency on grant transfers and actively seek alternative revenue
- To ensure financial sustainability and management
- To uphold treasury standard and norms

Technical services:

- To promote and facilitate economic transformation, sustainable growth and development
- To promote and facilitate public infrastructure investment
- To promote, facilitate and implement anti-poor development interventions.

1.7 GOVERNANCE

COUNCIL

It is important that we highlight the change of council on the 1st June 2011. The year under review Umuziwabantu Council comprises of 18 councillors, four of whom are full time. There are two political parties represented in council; the African National Congress and Inkatha Freedom party with the former being represented by 12 councillors (66.67%) and the latter by 6 (33.33). The political party and gender representation in the Umuziwabantu municipal Council is as follows:

Period July 2010 – May 2011

PARTY	COUNCILLORS	FEMALE	MALE
<i>African National Congress</i>	12	4	8
<i>Inkatha Freedom Party</i>	6	2	4

On the 1st June 2011 a new council was inaugurated which increased the number of wards from 9 to 10 and councillors 18 to 19. The political party and gender representation in the Umuziwabantu Municipal Council is currently as follows:

PARTY	COUNCILLORS	FEMALE	MALE
<i>African National Congress</i>	12	4	8
<i>Inkatha Freedom Party</i>	2	1	1
<i>National Freedom Part</i>	4	0	4
<i>Dermocratic Alliance</i>	1	0	1
TOTAL	19	5	14

EXECUTIVE COMMITTEE

The executive committee consists of 3 members and the Speaker, who is an ex-officio member. The following are members of the executive committee:

COUNCIL AND EXECUTIVE

EXECUTIVE COMMITTEE

July 2010 – May 2011

The executive committee consists of 3 members and the Speaker, who is an ex-officio member. The following are members of the executive committee:

THE EXECUTIVE COMMITTEE MEMBERS



His Worship the Mayor Cllr AD Ngubo EXCOChair
and Head of FPCC Port Folio Committee



Council Chairperson
Cllr Z. R. Mbuthuma



Deputy Mayor, Cllr S. J. Ncwane
Head: Planning, LED, Housing Portfolio



Cllr NB Dlamini-
Head: Community Services Portfolio

July 2010 – May 2011

COUNCIL MEMBERS



Cllr ZR Mbuthuma – Council Chairperson

ANC



Cllr AD Ngubo

ANC



Cllr S. J. Ncwane

ANC



Cllr. N. B Dlamini

IFP



Cllr SW Vethe (Ward4)
ANC



Cllr M V Mjabeka (ward7)
ANC



Cllr SS Mbonwa(PR)
IFP



Cllr T Nciki (ward5)
ANC



Cllr Z Gwija (PR)
ANC



Cllr S Nhlokwana (ward6)
ANC



Cllr X R Mjaja (PR)
ANC



Cllr ZN Cwele (PR)
IFP



Cllr MB Gavu(PR)
ANC



Cllr E N Miya(PR)
IFP



Cllr HJ Ngubelanga (ward9)
ANC



Cllr A Houston(ward3)
ANC



Cllr S Mbuthuma (PR)
IFP



Cllr S O Njongo (ward 2)
IFP

Council inaugurated 01st June 2011

THE EXECUTIVE COMMITTEE MEMBERS



*Cllr D Nciki
Mayor*



*Cllr A D Ngubo
Speaker*



*Cllr M Gavu
Deputy Mayor*



*Cllr A B Dlamini
Exco Member*

UMUZIWABANTU FULL COUNCIL



**Cllr D Nciki
Mayor**



**Cllr A D Ngubo
Speaker**



**Cllr M Gavu
Deputy Mayor**



**Cllr A B Dlamini
Exco Member**

				
Cllr S O Njongo	Cllr S P Nkomo	Cllr C Z Skosana	Cllr S W Vethe	Cllr H J Ngubelanga
				
Cllr M W Vezi	Cllr M P mtshane	Cllr M S Charane	Cllr A M cele	Cllr M J Jali
				
Cllr A T C Hoston	Cllr M V Nyathi	Cllr X Ndlangisa	Cllr T H Chiliza	Cllr D S Dlamini

POWERS & FUNCTIONS

The council has both the legislative and the executive powers. It is chaired by the Speaker, Councillor A D Ngubo. His duties as listed in municipal delegations are:

- Presides at meetings of the council and signs the minutes of the council meetings;
- ensures that council meets at least quarterly;
- Co-ordinates the arrangements regarding dates and venues for the meetings.
- Maintains order during meetings of the council and ensures that the meetings are conducted in compliance with the Council's Rules of Order;
- Performs all other duties assigned to him/her in the Council's Rules of Order of the Council;
- Ensures compliance with the Code of Conduct for councillors;
- Authorises any investigation or enquiry into suspected or alleged impropriety by councillors or any alleged breaches of the Code of Conduct for councillors;
- Determines where and when council meets;
- Convenes special meetings of council at his/her discretion or on request of the majority of councillors she/he must do so.

In accordance with Council resolution of 16 March 2006, Council delegated some powers to the Executive Committee with an exception of those expressly excluded by law. Some of these exclusions include:

- a. The passing of by-laws;
- b. The approval of budgets;
- c. The imposition of rates and other taxes, levies and duties; and
- d. The raising of loans.
- e. Setting of tariffs;
- f. Entering into service delivery agreements in terms of section 76(b) of the Municipal Systems Act;
- g. Appointment of the Municipal and section 56 managers; and
- h. Approval or amendment of the integrated development plan.

Council Portfolio Committees

Council has three portfolio committees:

- ⇒ Finance; budget control and Corporate Services
- ⇒ Planning; Housing; LED and infrastructure Development
- ⇒ Community Services

PORTFOLIO COMMITTEE	TERMS OF REFERENCE
Finance; budget and Corporate Services	<ul style="list-style-type: none"> ⇒ Municipal finance including billing; ⇒ Municipal rating and taxation; ⇒ Municipal insurance; ⇒ Municipal banking and investments; ⇒ Loans and governmental subsidies; ⇒ Grants in aid ⇒ Labour Relations ⇒ Occupational Health and Safety
Community Services	<ul style="list-style-type: none"> ⇒ Municipal health services; ⇒ Squatting; ⇒ Groups with special needs (youth; women; elderly and the disabled); ⇒ Street Vending; ⇒ Education, crèches, welfare in general and religious services; ⇒ HIV and AIDS ⇒ Business licensing; ⇒ Cemeteries and crematoria; ⇒ Refuse removal, refuse dumps and solid waste disposal; ⇒ Cleansing, road and storm water maintenance; and ⇒ Building maintenance ⇒ Disaster management ⇒ Traffic services ⇒ Fire fighting services
Planning; LED; Housing and Infrastructure	<ul style="list-style-type: none"> ⇒ Local economic development; ⇒ Promotion of industrial development; ⇒ Land matters; ⇒ Rendering of basic services ⇒ Electricity and gas reticulation; ⇒ Storm water management systems in rural and urban areas; ⇒ Street lighting; ⇒ Capital roads items and construction; ⇒ Storm water capital items; ⇒ Housing Projects; ⇒ Housing development; and ⇒ Housing Projects administration
IDP FORUM	<ul style="list-style-type: none"> ⇒ Coordinate and facilitate IDP Projects ⇒ Debates and review IDP objectives ⇒ Integrates sectorial and other stakeholders strategic plans ⇒ Propose recommendations to both EXCO and Council ⇒ Integration and formulation of projects

Report on Sitting of Council and its Committees:

<i>COMMITTEE</i>	<i>MEETINGS SCHEDULED</i>	<i>MEETINGS HELD</i>	<i>% OF SITTINGS</i>
Council	10	10	100%
Exco	10	5	50%
Finance; Budget Control and Corporate	3	3	100%
Housing Forum	6	5	83%
Community Services	8	8	100%
Planning, Led, Housing & Infrastructure	7	7	100%
IDP Representative Forum	5	7	140%
Labour Forum	4	4	100%

Statistical report on the sitting of Committee Meetings

REPORT ON COUNCILLORS ATTENDANCE TO MEETINGS

COUNCIL		EXCO		FINANCE		COMM SERVICES		LOCAL LABOUR FORUM		PLANNING		IDP		H/SETTELMENT		
Names	No of meetings	Attended	No of meetings	Attended	No of meetings	Attended	No of meetings	Attended	No of meetings	Attended	No of meetings	Attended	No of meetings	Attended	No of meetings	Attended
Clr A D Ngubo	10	7	10	8	3	3	8	1	4	1	7	4	5	3	6	2
Clr S J Ncwane	10	9	10	9	3	1	8	4			7	7	5	4	6	5
Clr Z R Mbuthuma	10	9	10	6	3	2	8	4			7	4	5	4	6	5
Clr N B Dlamini	10	6	10	7			8	7					5	1	6	2
Clr Z N Cwele	10	6									7	7	5	3	6	4
Clr M B Gavu	10	7					8	6					5	2	6	4
Clr P M Gwija	10	9					8	8					5	3	6	4
Clr ATC Houston	10	10									7	6	5	2	6	6
Clr S SMbonwa	10	5					8	6					5	1	6	2
Clr J S Mbuthuma	10	3			3	2							5	0	6	1
Clr E N Miya	10	6									7	5	5	4	6	5
Clr M V Nyathi	10	8			3	3			4	4			5	2	6	5
Clr X R Mjaja	10	6					8	7					5	4	6	4
Clr T N Nciki	10	8									7	6	5	2	6	6
Clr H J Ngubelanga	10	10									7	5	5	3	6	6
Clr S Nhlokwana	10	4			3	2							5	5	6	2
Clr S O Njongo	10	4			3	0							5	0	6	1
Clr S W Vethe	10	9			3	3							5	5	6	4

CHAPTER TWO

PERFORMANCE HIGHLIGHTS AND CHALLENGES

2.1 Top 10 Municipal Challenges

2.2 Social and Local Economic development

2.3 Infrastructure and Service Delivery

2.4 Good Governance and Public Participation

2.5 Municipal Institutional Development and Transformation

2.6 Financial Viability

2.1 TOP 10 2010/2011 MUNICIPAL CHALLENGES

The public participation processes during the year and internal analysis has revealed the following as the top ten challenges our municipality is facing:

Top Ten (10) Priority Challenges (in no order of priority)

1. Housing Backlogs
2. Electricity in-fills
3. Water and Sanitation backlog
4. Roads upgrade and maintenance
5. High HIV infections
6. High Unemployment Rate
7. Low Level of skills
8. High poverty levels
9. Inaccessibility of social cluster institutions (health, education, welfare etc.)
10. Underutilization of agricultural resources

2.2 SOCIAL AND LOCAL ECONOMIC DEVELOPMENT

The municipality has engaged in a number of interventions to address the prevailing situation of high unemployment. Amongst other solutions are the following:

- ⇒ SMME, National Youth Development Agency (NYDA), and Dept. of Economic Development Help Desk - the Centre is fully operational. The Help Desk is functional with SEDA visiting the Centre every week on Tuesdays. The Centre is located in Harding Central (ward 3) next to the Hospital. This facility was marketed at all nine wards of Umuziwabantu.
- ⇒ Youth Centre – The Centre Services the needs of the youth particularly with focus on life skills and career guidance. The withdrawal of funding from Umsobomvu has limited the functioning of the Centre especially the outreach programs.

2.2.1 Local Economic Development Performance Highlights

- ⇒ **Ingeli Trails** – Business Plan is complete and project is feasible, DED is expected to counter fund the project. The project didn't kick start in the year under review as expected.
- ⇒ **Informal Trading** – The sector has been engaged with the view to formalize the sector and put sustainable controls in the allocation of sites. The identification and allocation of sites will be finalized in the 2011/12 financial year. The informal trading sector provides income to a number of local people.
- ⇒ **Graduate Tourism Programme** – 3 members will be allocated at Umuziwabantu for internship. Resp. Dept. Tourism
- ⇒ **Flemish Agricultural Projects** – funded with more than R4m by the Flemish and SA government. The project has benefited some local schools and all communities in the

nine respective wards. As at 30 June 2011 an amount estimated at R3.2m has already been spent on the project. The integration of the Flemish projects into the municipal programs has been seen a challenge in terms of providing conclusive reports. The project is coming to a close in 2012.

- ⇒ **Seed Distribution** – Lists have been submitted to DAEA, it is anticipated that the seed distribution will cost an estimated figure of (R630 000)
- ⇒ **TV Network** – Some wards have been visited by delegation from Sentech for the signal quality improvement.
- ⇒ **Cell phone Network** – A cell phone network tower has been installed at KwaJali which will bring improved communication service network. This will improve cell phone connectivity to more than 70% of the municipal area and neighboring districts. It is however noted that service to Cell C and Vodacom networks have not shown improvements and other areas do not have network service at all.
- ⇒ The greatest highlight of 2010/11 financial year has seen the Municipality secure the development of the Harding Mall. The Mall construction is set to begin in 2012. It is anticipated that the mall will create a number of casual employment while under construction and provide sustainable job opportunities upon completion.
- ⇒ Umuziwabantu was honored by the visit of the MEC for finance in May 2011. The MEC engaged local business sector on the important role the business can play in the improvement of people's lives within different societies.



Challenges

Limited Funding

- ⇒ More Training is required to Coops e.g. Caterers (South African Nutritional Standards)
- ⇒ Application for grading of B&Bs and lodges
- ⇒ Limited Office Space – limits access to internship programs (for unemployment youth).
- ⇒ Minimal participation of local chamber of commerce Integration of LED and Technical services projects vs. Procurement Policies
- ⇒ High levels of illiteracy
- ⇒ HIV and AIDS
- ⇒ Lack of big corporations to provide employment



2.2.2 Social Programmes Performance Highlights

2.2.2.1 Arts and Culture

Arts and Culture Forum

Ugu District Municipality in partnership with the Department of Arts and Culture has jointly launched Forum within the district wide area in order to embrace and encourage participation of local people in the display of their talents, dance, music and other attributes. The District forum made an undertaking to extend the launch of structures at local level. The Umuziwabantu local

Art and Culture forum was launched in March in 2011. The Municipality is currently in the process of launching ward structure for art and culture.

Zulu Reed Celebration

The Young girls from Umuziwabantu participated in the Zulu Reed Celebration held in September 2010 in Nongoma, North of KwaZulu Natal.

2.2.2.2 Special Programmes

HIV and AIDS

01 December 2010 hosted the District World AIDS day at Mfundeni Sports Grounds in ward 7

Senior Citizens

The municipality participated in the National Golden games in Richards Bay in October 2010. The Municipality established and registered 14 senior citizens launch on clubs in all wards.

Disability

In July 2010 Umuziwabantu took the first position in District Disability games held at St Martin's De bores in Port Shepstone.



Woman's Day Celebrations

In April 2011 Umuziwabantu hosted the District International Women's day where the function was honored by 1st lady of the country (Mantuli Zuma)

Rights of a Child

In an effort to assist young people who travel long distances to get to school every day. The Department of Transport together with Umuziwabantu local municipality provided 600 Bicycles to 32 schools within the Municipality. This program benefitted 600 pupils.

2.2.2.3 Youth

Youth Council

The Youth forms a large part of the population of Umuziwabantu; it is in this light that the municipality encourages young people to participate in the decisions that are taken by council through formal and organized structures.

The Youth structures below are due for elections, as their term of office have come to an end.

- Umuziwabantu Youth Council
- Youth Forums - in all nine respective wards
- Sport Committees - in all nine wards
- Umuziwabantu Sport Council
- Umuziwabantu Gender Forum
- Gender Forums in all nine wards

Youth Advisory Centre Point

The establishment of the Youth Advisory Centre Point began in July 2009 and continues to help young people; the centre was funded by the Umsobomvu Youth Fund and assists young people with the following information:

- Bursary applications
- Career Guidance/Counseling
- Referrals to centre or departments where they source information
- Central applications office forms

Inkonzo yabantu Abasha

Umuziwabantu Youth Development Office hosted a motivational prayer day. The prayer seeks to motivate young people as they were preparing for metric examinations; also the program addresses the issue of moral decay and guide young people to the right path.

2.2.2.4 Sports

Mayoral Cup

The mayoral cup tournament was held in April 2011. The tournament was a great success. The games were played at ward levels and concluded at the municipal level. The continued support of the mayoral cup has increased the level of participation among young sports enthusiasts.

The municipality participated in the intergovernmental sports games, wherein the municipal team won silver medals.



2010/ 2011 Municipal Soccer Team

2010 Soccer World Cup

The 2010 Soccer World Cup created a joyous mood in most communities, and Umuziwabantu was no different. Umuziwabantu witnessed the visit of the giant Bafana Bafana T-Shirt which was intended to encourage all South Africans to support the national team during the tournament. Umuziwabantu municipality supported the games through transportation of local people to watch the games at the District public screens in Gamalakhe.

2.2.2.5 Library

Successes

Internet @ your Library Service:

The amount of patrons using this service has picked up especially in learning how to use computers. Cyber cadet is offering basic computer training to Umuziwabantu Community members from all wards. The Library cannot take more than 20 learners a month due to few Computers. Each learner spends 2 hours a day in the computer. During the World Cup period in

June the library had a few tourists from other countries that used the internet service and they were impressed with the fact that the service rendered by the library for free.

Stock:

The DoACT has supplied the Library with colour printer, scanner and a kids PC. The Municipality leased a new Photocopying machine.

Educational Books:

The Library received Educational books from KZNPLS; these are for school projects (Primary and High School).

Head Count System Report:

Every month the Library receives a monthly report from Head Count. This system gives accurate statistics as to how many people are actually using the Library and identifies peak periods and daily visitor patterns. This report looks at the number of people who enter the Library to use various services even if they are not registered members of the Library.

Library Services

The Library main users are school children. The Library services three High Schools and six Primary Schools. The Cyber Cadet offers Computer Training at the Library to school learners as well as adult users and out of school youth. 20 people got trained every month. They usually come in the morning each learner takes two hours.

The Library gets busy after school. KZNPLS bought material that supports the school curriculum. These are books that are used to assist learners with their school projects. KZNPLS also supplied the library with a kids P.C. The school children use this P.C. to do internet research for their projects.

Another thing that accounts for the high influx of users to the Library is the other activities that the Librarian initiated. The Library runs a Soul Buddies Club that got 22 members that meets every Friday afternoon.

The Library hosts a Career Exhibition as its Annual Event and then keeps the CAO forms which aid Matriculants to apply for Tertiary Institutions Cyber Cadet downloads all the other application forms from the internet. The entire grade 12 in Harding knows about this service the Library offers.

Statistics:

Membership

<i>Adult</i>	<i>Young Adult</i>	<i>Juveniles</i>	<i>Total</i>
1844	809	1501	4154

Internet at Your Library

<i>Users</i>	<i>Learners</i>
8456	1400

2.3 INFRASTRUCTURE AND SERVICES DELIVERY

Below are the highlight of infrastructure development and services:

2.3.1 Municipal Infrastructure Grant Projects

Project Name	Actual Milestone
Rehabilitation of Murchison Street for small town rehabilitation in Harding.	Layer works up to stabilized base layer and all the concrete channels and curbing Hancock street. Project is now practically complete, contractor attending to the final snag list.
Rehabilitation of Hawkins Street for Small Town rehabilitation in Harding	Appointment of contractor and re-establishing, project is ongoing!!
Community Park	Completion of the park, landscaping. Currently waiting for Cogta to launch in order for the community to use.
Access Road Nhlabe to Kwangubelanga A2420 in Ward 8	Appointment of the contractor, site hand over and establishment by the contractor. The project is ongoing
Emavatheni access road Ward	The project is 100% complete
Construction of D 926 Roads in Ward 1	The project is 100% complete
Phophoni access road	The project is 100% complete
Mangashuza access road	The Project is 100% complete
Machobeni access road	The Project is 100% complete
Mabhungwini access road	The Project is 100% complete



Mangashuza Access Road

2.3.2 The Road Infrastructure Network

Generally roads in Harding Town have improved, though further financial investment is still required to achieve satisfactory standards. The roads connecting Harding town with surrounding areas i.e. Bizana and Umzimkhulu have been left unattended for too long. In the future planning of the municipality the two roads should receive attention in order to unleash the great potential of the Town.

The effort of building good roads infrastructure is sometimes wasted due heavy load trucks using these roads frequently. The revival of the rail network seems the most obvious solution to increase the life span of the road network.

Roads Challenges

- ⇒ Inadequate storm water drainage
- ⇒ High water table
- ⇒ Inadequate storm water management
- ⇒ Inadequate pavement
- ⇒ Inadequate road maintenance
- ⇒ Budget constraints
- ⇒ Lack of staff capacity



Machobeni Access Road

2.3.3 Housing Development

All the housing projects have a target and a maximum of 1000 units per tribal Authority except for the KwaJali tribal Authority. Poor communication between three parties (local municipality, Provincial Human Settlement and Implementing Agent) has caused delays in the implementation of projects i.e. payments, meetings and site inspections. Request for top up funds were submitted to the province for the KwaFodo project thus far no progress has been made as at 30 June 2011.

Project	Progress
KwaFodo	The year under review no construction has taken place however 641 Houses have been built and 430 VIP toilets
KwaMbotho	The project is on planning stage (Tranche 1) signature of the MEC has been secured for the project to proceed.
KwaJali	350 slabs have been completed. 111 houses constructed 1. Overall construction is progressing well.
KwaDumisa	100% achieved and 353 houses completed. Overall construction progress is now 100 %. No construction in 2010/2011
Ebashaweni	The project is on planning stage (Tranche 1)
KwaMazakhele	Phase 3 The project is on planning stage (Tranche 1) The DOHS to approve funds for tranche 2. No work conducted in the year under review. Waiting appoint of contract for installation of bulk services.
Political Violence damaged Houses Ward 4 and 7	16 houses were constructed and completed, projected has been successfully completed

2.3.4 Electricity Connection

The municipality received funding of R10, 800 000 from The Department of Energy to attend electricity backlogs within the municipality.

- New electricity connections of 390 households in ward 2 still waiting for funding
- Electricity, still awaiting connections of 750 households in ward 9

Electrification of community halls

Eskom appointed a service provider and the project has been completed awaiting connection to the power main. However cluster 1; Mkangala, Marshmount, Mpeshu and Bashawesi community Halls have been connected to the power main. While Cluster 2; Ocigweini, KwaJali, KwaNgubelanga and Estezi are still outstanding.

Challenges

- ⇒ 30% of households still do not have electricity.
- ⇒ Inadequate capacity in some substations
- ⇒ Inadequate funding
- ⇒ Electricity (in-fills) in all wards

2.4 GOOD GOVERNANCE AND PUBLIC PARTICIPATION

2.3.1 Participatory Democracy

Ward Committees

Umuziwabantu Municipality is made up of 9 Wards, scattered in all the six tribal authorities. Each ward has a ward committee chaired by a Ward Councilor assisted by PR Councilor in some instances. In terms of the Municipal Structures Act, Act 117 of 1997, the ward councilor serves as the mediator between people in the ward and the municipality, and all reports and requests must be submitted to the office of the speaker. The municipality established ward committees in 2006 and have been functioning reasonably well. In June 2011 the term of office of the ward committees came to an end. The municipality would like to thank each and every one of them for their selfless dedication and contribution to strengthen and deepen democracy within the municipality.

Stipends for members of ward committees were introduced in this financial year. This goes a long way in assisting members of ward committees, more especially those that are unemployed to cover the basic costs of attending monthly meetings and airtime.

Challenges

- ⇒ Migration of some wards committee members during their term of office due to various reasons
- ⇒ Inconsistencies in performance due to other commitments.
- ⇒ Huge Expectation from the community on service delivery – this poses serious pressure on the committee to deliver within a short space of time.
- ⇒ Lack of administrative skills among members.

Integrated Development Plan

The municipality under the leadership of the Mayor and Speaker held 9 (nine) IDP-Budget road shows as well as 9 (nine) Mayoral Izimbizo. In line with the provision of the Municipal Systems Act, Act 32 of 2000, the council adopted its 2010/2011 process plan to develop the IDP in August 2009. The municipality further invited members of the public to submit their interest to participate as different interest groups representatives in the IDP Representative Forum.

There were a number of IDP strategic Planning Sessions which were undertaken between January and February 2010 involving the municipality, sector departments, district municipality; public and private sector in order to strengthen integration; alignment and co-ordination.

Role of Traditional Leaders in IDP

Umuziwabantu Municipality has six tribal authorities spatially dispersed according to the nine wards:

- ✍ Bashaweni Tribal Authority
- ✍ Mbotho Tribal Authority
- ✍ Inhlangano Tribal Authority (KwaJali)
- ✍ Izibonda Tribal Authority (KwaMachi)
- ✍ Nhlangwini/ Fodo Tribal Authority
- ✍ ThokozaniMadumisa Tribal Authority (KwaDumisa)

In the Municipal consultative processes, Traditional Authorities are invited to consult and to be role players in the events and programmes delivered by the municipality and other spheres of government. The local authorities have shown great passion and enthusiasm to role players in development local government. The Traditional Authorities are very critical in public participation because of the influence they have on the people belonging to the settlement. The Tribal Authorities are part of all for a like IDP and Housing Forums and their contribution is enormous.

2.3.2 Good Governance

Indigent Support

The municipality continued to fund indigent support on free basic electricity, rates and waste removal. In the year under review the municipality provided free basic electricity to more than 5000 households. Each household receives 50kw free on monthly basis.

The municipality also assisted 154 families to bury their loved ones with dignity through the municipal indigent burial assistance programme.

2.4 FINANCIAL VIABILITY

Financial Management

The finance department is primarily responsible for ensuring transparency, accountability sound financial management. This means ensuring that all statutory requirements are adhered to, the monthly financial reports to council, national treasury in-year monitoring reports and annual financial statements were prepared and submitted on time.

The 2010/2011 financial year saw the departure of the Chief Financial Officer in December 2010. The position remained unfilled for a period of 6 months and the municipal manager was acting until the position was filled. The general weakness of small municipalities to keep and attract highly skilled individuals is posing a serious challenge to future development of Umuziwabantu municipalities.

Policy Reviews and Development

Sound Financial Management and Planning remain a top priority of Umuziwabantu Municipality.

Therefore the following strategies and policies have been developed or reviewed to ensure that a good financial position is maintained.

Indigent Policy: Reviewed

- ⇒ The aim of this policy is to create an enabling environment in which a financially sustainable municipal service can be rendered, given that many of the residents cannot afford to pay for those services due to socio-economic hardships.

Asset Management Policy: Reviewed

- ⇒ The purpose of this policy is to ensure that Municipal Fixed Assets are:

- ❖ Acquired
- ❖ Safeguarded
- ❖ Controlled
- ❖ Accounted for, and
- ❖ Disposed Off property

In terms of the Municipal Finance Management Act (MFMA,) Act 56 of 2003, requirements and applicable accounting standards the following policies were also reviewed:

Debt and Credit Control: Reviewed

- ⇒ The strategic aim of this policy is to create an environment in which the objectives of credit control and debt collection can be realized.

Property Rates Policy

- ⇒ The strategic aim of the policy is that there is a need to provide local with access to a sufficient and buoyant source of revenue necessary to fulfill its developmental mandate.

- ⇒ Revenue derived from property rates represent a critical source of income for municipalities to achieve their constitutional objectives, especially in areas neglected in the past because of racially discriminatory legislation and practices.
- ⇒ It is essential that municipalities exercise their powers to impose rates within a statutory framework which enhances certainty, uniformity and simplicity across the Nation, and which takes account of historical imbalances and the burden of rates on the poor.

Municipal Property Rates Act Implementation

Another highlight on the financial aspect of the municipality has been the preparatory work for the implementation of the MPRA. The municipality was among municipalities which were the last to implement the MPRA. The law prescribed that the 01 July 2009 is the latest date to start charging rates using the new system. The municipality appointed a service provider to implement property valuation. Community representations were invited through the print media and community meetings. This process culminated with the adoption of the rates policy and bylaws. The municipality has begun the implementation of the new billing system for rates.

Systems Integration

One of the problems we have been battling with in the past has been the financial management system which was not integrated. This affected the quality of the output data for financial reports. In many instances this would manifest itself during the audits when data presented conflicts. There was also a lot of duplication in terms of capturing of data, which on its own increased errors. During the year, the finance department successfully integrated the finance system. This has made a huge positive impact on the internal financial data processing and it will improve the quality of our statistical output.

CHAPTER THREE:

Human Resources and other Organizational Management

- 3.1 Organizational Structure
- 3.2 Human Resources Profile
- 3.3 Staffing Information
- 3.4 Skills Development Programme
- 3.5 Disclosures

3.1 ORGANISATIONAL STRUCTURE



Mr. S. D. Mbhele
Municipal Manager



Mrs. T. S. P. Khuzwayo
Chief Financial Officer



Mrs. N. A. Sigwebela
Manager: Corporate Services



Mr M. K. Guzowski
Manager: Technical Services

EXTENDED MANAGEMENT



Ms E Schachinger
Assistant Manager: Human Resources



Mr. O.P. Langa
Assistant Manager: Expenditure



Ms N. Mayeza
Assistant Manager: Communication & Administration



Mr. A Waren
Assistant Manager: Cleansing & Maintenance



Mr. W.T. Gumede
Assistant Manager: Strategic Planning



Mr. I. Ogle
Assistant Manager: Income



Mrs. A Warren
Assistant Manager: Equity



Mr. K.R Ndlovu
Assistant Manager: Protection Services



Mr. K. Letebele
Assistant Manager: Pmu



Mr. M. Mohlaoli
Assistant Manager: Special Programmes



Mr. M Mbotho
Assistant Manager: Youth

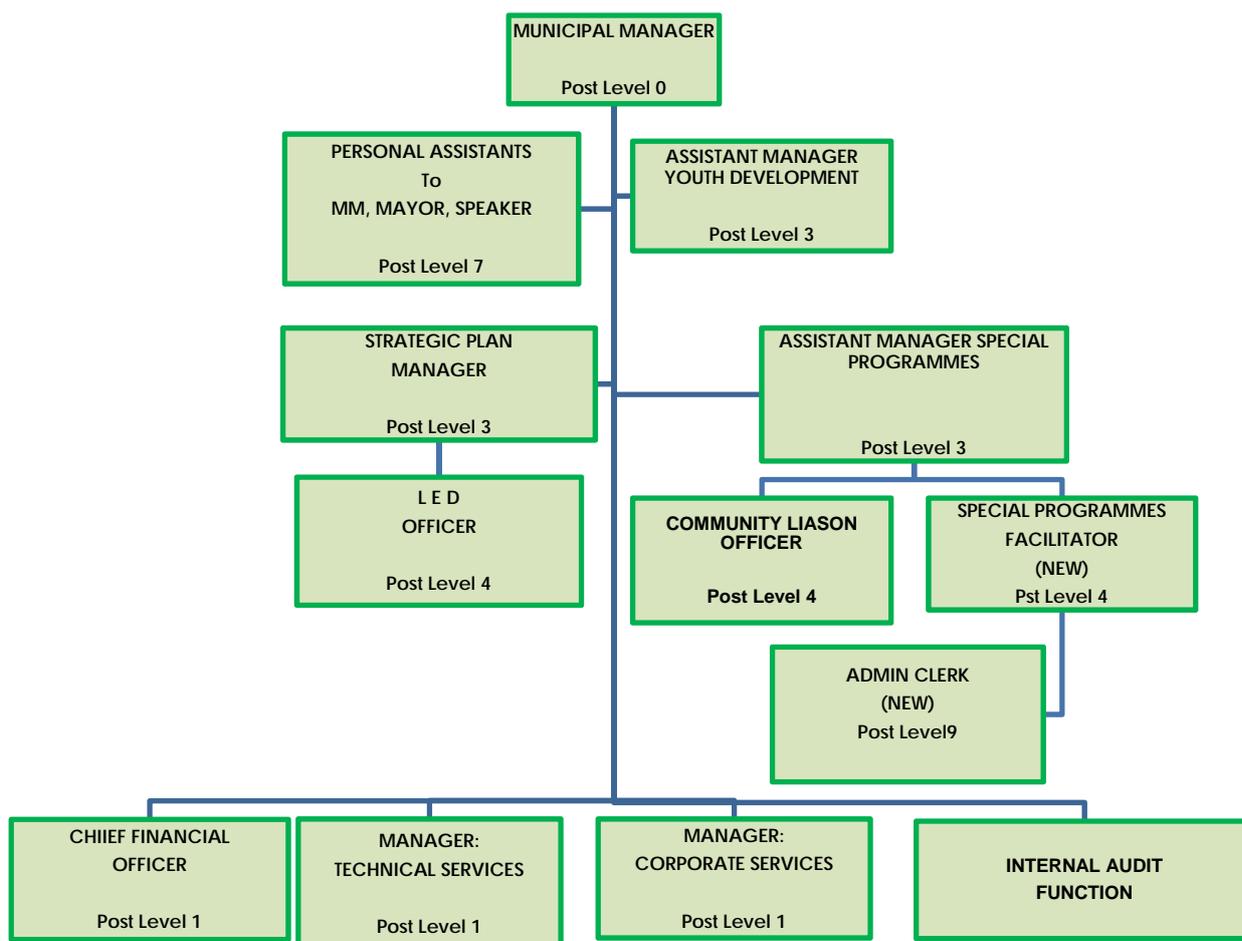
Umuziwabantu Municipality has four Council supporting departments, namely: Office of the Municipal Manager, Technical Services, Treasury and Corporate Services. Each department is headed by a manager. Additional to Managers, the municipality has a staff compliment of 151 permanent members. All section 54 and 56 positions are filled.

3.1.1 Office of the Municipal Manager

The office of the Municipal Manager has a staff complement of 12 employees who are responsible for various functions within the municipality. The office of the Municipal manager has the following sections and each of them is assigned an assistant manager:

Section	No. of Employees
Municipal Manager	1
Integrated Development Planning	2
Local Economic Development	1
Special programs	2
Internal Auditing	0
Youth programs	2
TOTAL	8

OFFICE OF THE MUNICIPAL MANAGER ORGANOGRAM



TECHNICAL DEPARTMENT

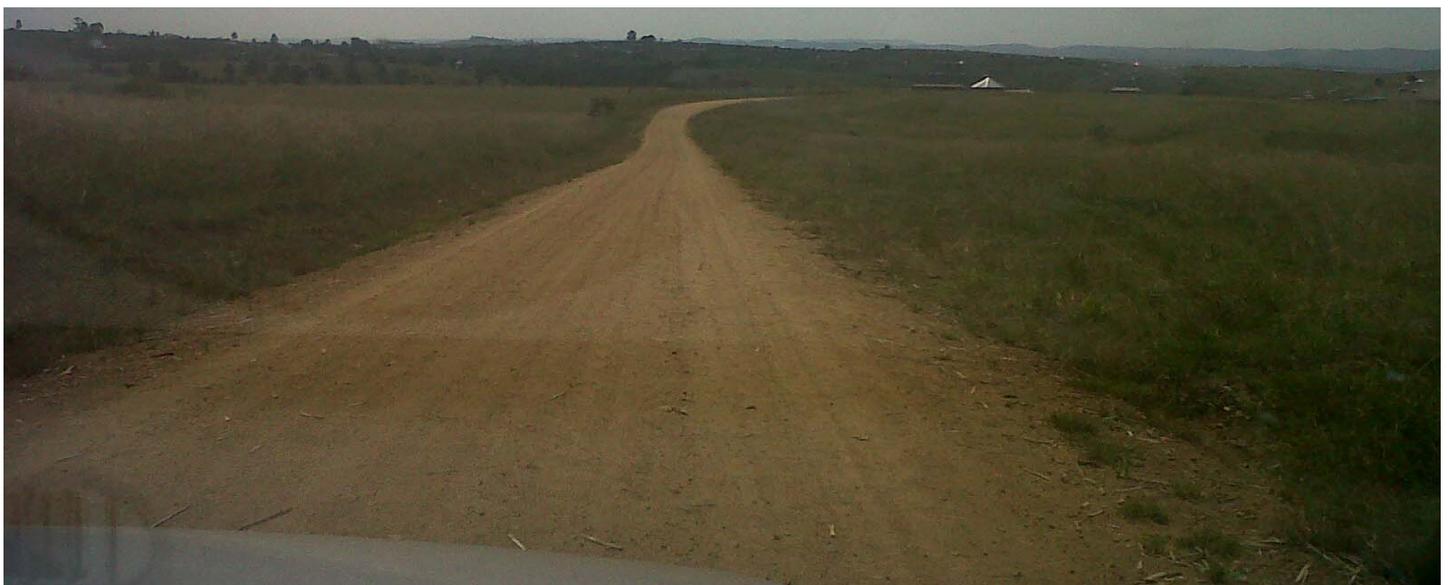


Mr. Marek K. Guzowski

Manager: Technical Services

The Technical Services Department is headed by a manager and has a total staff complement of 106 employees. Additional to the manager, each of the 5 (five) sections is assigned a manager.

SECTION	NO. OF EMPLOYEES
Refuse	29
Electricity	13
Parks And Gardens	23
Traffic	18
Roads	16
Technical Services Office Based (Holman Street)	07
TOTAL	106



Mabhungwini Access Road

FINANCE DEPARTMENT



Mrs. Thabisile Khuzwayo

Chief Financial Officer

During the 2010/ 2011 financial year, the Umuziwabantu Municipality's treasury department was headed by a Chief Financial Officer and three assistant managers, each of them heading a section, i.e equity accounts; expenditure and income.

The total staff complement of the Umuziwabantu Treasury department is 17 employees.

SECTION	NO. OF EMPLOYEES
Chief Financial Officer	1
Income	5
Expenditure	6
Equity	5
TOTAL	17

Financial Management

The following financial management policies were developed and implemented during the 2010/2011 financial year:

- Supply Chain Management Policy
- Credit Policy
- Debt Collection Policy
- Asset Management Policy
- Property Rates Policy
- Salary Policy

Importantly, the municipality received an unqualified audit opinion during the 2010/2011 financial year.

CORPORATE SERVICES



Mrs. Nontuthuzelo Sigwebela

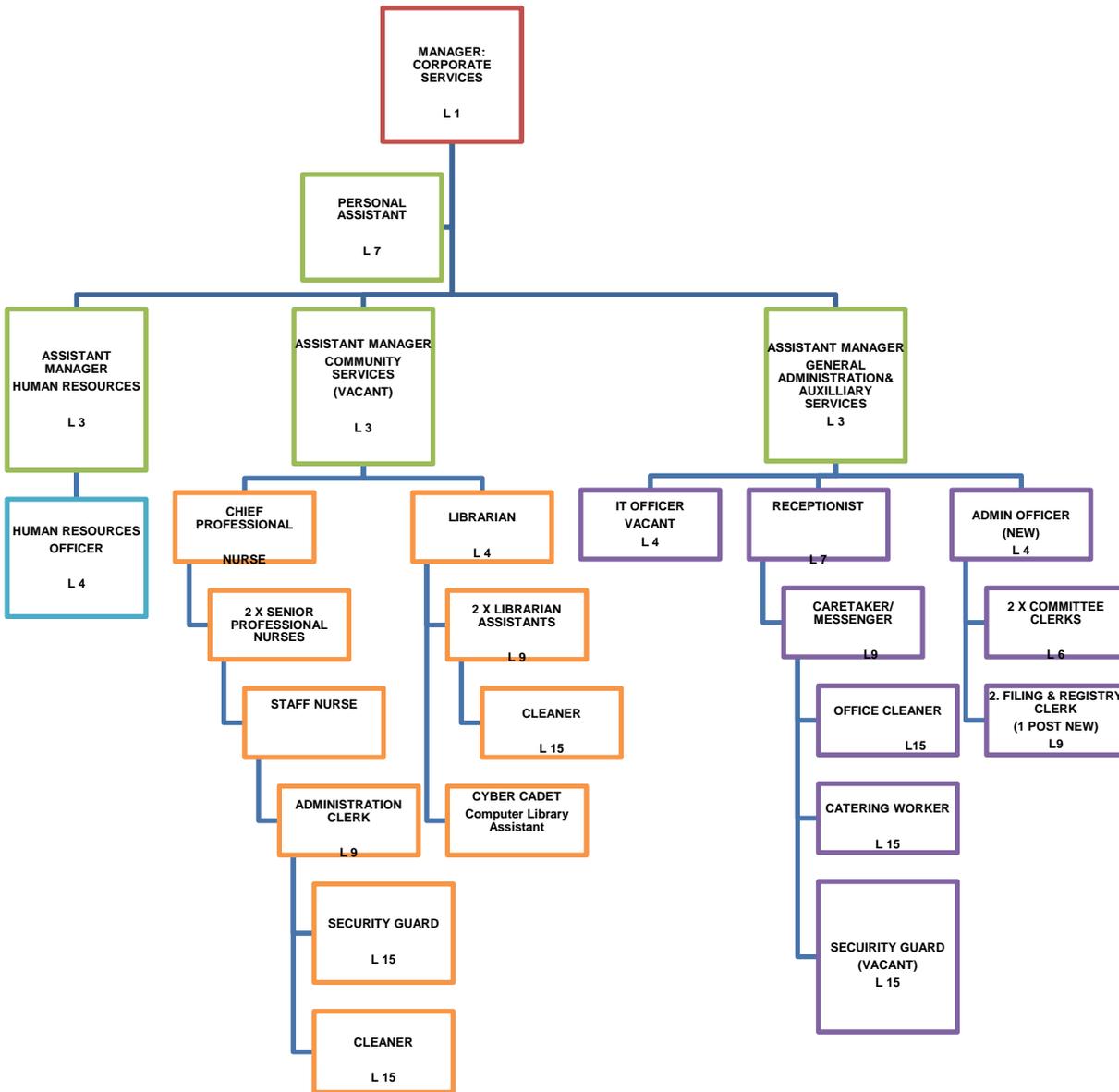
Manager: Corporate Services

The Corporate Services department is headed by the Manager and three assistant managers who head the human resources; Administration and Community Services sections.

The total staff complement of the Umuziwabantu Corporate Services department is 21 employees.

SECTION	NO. OF EMPLOYEES
Manager	1
HR	2
General Administration & Auxiliary Services	8
Community Services	10
TOTAL	21

CORPORATESERVICESORGANOGRAM



3.2 Human Resources Profile

Below are statistics of permanent employees in terms of their occupational categories. The table also reflects on how the municipality has addressed the requirements of the employment equity act. The remaining challenges in this area are the representation of women and the people with disabilities. However, females are a majority in the top management employees and also a majority at all management levels in totality.

Employment Equity Report

OCCUPATIONAL LEVELS	MALE				FEMALE				TOTALS
	AFRICAN	COLOURED	INDIAN	WHITE	AFRICAN	COLOURED	INDIAN	WHITE	
TOP MANAGEMENT	1			1	2				4
SENIOR MANAGEMENT	6	1		1	1	1		1	11
PROFESSIONAL QUALIFIED	8			1	2	2			13
SKILLED	27		1	1	14	1	2		46
SEMI SKILLED	27	1			3	2			33
UNSKILLED	42				18				60
TOTAL PERMANENT	111	2	1	4	40	6	2	1	167

Below is a 2010-2011 training report submitted to the Department of Labour as per the legal requirement.

ANNUAL TRAINING REPORT	MALE				FEMALE				TOTAL
	AFRICAN	COLOURED	INDIAN	WHITE	AFRICAN	COLOURED	INDIAN	WHITE	
LEGISLATORS									
DIRECTORS&CORPORATE MANAGERS	1	1			1				3
INTERNSHIP	1				2				3
LEARNERSHIP	10				20				30
IN SERVICE TRAINING	3				2				05
TRAFFIC	4				1				5
TECHNICAL SERVICES	1	1							2
OFFICE OF THE MUNICIPAL MANAGER					2				2
FINANCE					1				1
CORPORATE SERVICES	1					1			2
TOTALS	21	2			29	1			53

TRAINING REPORT

JULY 2010 TO JUNE 2011

<i>NAME OF COURSE/WORKSHOP</i>	<i>DURATION</i>	<i>TOTAL NUMBER OF DELEGATES</i>
Disciplinary Hearing Training	3 DAYS	02
BATHO PELE Work shop	One day	06
ODETD Training	One Year from August 2010 – August 2011	02
Pease Officers Coarse	November 2010 One week	05
Traffic Officers Course	One Year From January 2011 – December 2012	01
In service Training	One year contracts	05
Learner ships in Business Administration	One Year June 2010 – June 2011	30
Specialist in Local Government Management Programme	September 2010 Programme still in Progress	01

Attached are the policies adopted in the financial year

29 JULY 2010	<ul style="list-style-type: none"> - Records Management Policy - Telephone and Cell Phone Policy - Corporate Branding & Furniture Policy - Hire & Use of Municipal Halls, Buildings & Other facilities - Indigent Burial Policy
03 DECEMBER 2010	<ul style="list-style-type: none"> - Draft Leave Policy and Procedures
19 JANUARY 2011	<ul style="list-style-type: none"> - Fleet Management Policy
31 MARCH 2011	<ul style="list-style-type: none"> - Draft Overtime & Standby Allowance Policy
30 JUNE 2011	<ul style="list-style-type: none"> - Travelling and Subsistence

Declarations

UMUZIWABANTU MUNICIPALITY

Declaration of Expenditure for Senior Officials Remuneration and Benefits as follows:

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

	2011 R	2010 R
21 OTHER INCOME		
Library – sundry	3,320	160,000
LG SITA	6,209	172,179
Cemeteries - burial fees	32,794	97,536
Hall hire and facilities	61,869	116,250
Building plans and inspections	42,269	109,212
Recovery of stolen monies	150,444	-
Afforestation	126,947	69,777
Other income	39,115	180,632
Total Other Income	462,967	905,586
22 EMPLOYEE RELATED COSTS		
Salaries and Wages	16,724,754	14,382,712
Contributions to UIF, pensions and medical aids	3,797,104	2,981,194
Travel, motor car, accommodation, subsistence, housing and other allowances	1,555,075	1,403,500
Uniforms and protective clothing	3,600	2,216
Overtime payments	1,813,030	1,475,746
Provision for bonuses	659,102	562,034
Total Employee Related Costs	24,552,665	20,807,401
Remuneration of the Municipal Manager		
Annual Remuneration	601,561	521,545
Car Allowance	126,630	117,735
Contributions to UIF, Medical and Pension Funds	1,497	2,010
Total	729,688	641,290
Remuneration of the Chief Finance Officer (to December 2010)		
Annual Remuneration	216,780	366,531
Car Allowance	49,592	112,155
Contributions to UIF, Medical and Pension Funds	624	1,877
Total	266,996	480,563
Remuneration of Manager of Corporate Services		
Annual Remuneration	423,570	366,531
Car Allowance	120,629	112,155
Contributions to UIF, Medical and Pension Funds	1,497	1,877
Total	545,696	480,563
Remuneration of Manager of Technical Services		
Annual Remuneration	398,669	339,095
Car Allowance	120,629	103,491
Contributions to UIF, Medical and Pension Funds	1,497	1,752
Total	520,795	444,338
23 REMUNERATION OF COUNCILLORS		
Mayor	553,777	575,154
Deputy Mayor	415,360	489,398
Councillors	3,214,101	3,312,390
Total	4,183,238	4,376,942

In-kind Benefits

The Mayor and the Speaker have personal assistants, Deputy Mayor and Executive Committee Members are full-time and are provided with an office and secretarial support at the cost of the Council in order to enable them to perform their official duties

Councillors may utilise official council transportation when engaged in official duties

The following additional support is provided by the municipality:

The mayor has one municipal vehicle and a full time bodyguard/driver

Chapter four

4.1 ANNUAL FINANCIAL STATEMENTS

4.2 Audit Report

4.3 Municipal Corrective Measures

4.1 2010/ 2011 Municipal Annual Financial Statements

Umuziwabantu Municipality

Approval of Annual Financial Statements

I am responsible for the preparation of these annual financial statements, which are set out on pages 1 to 36 in terms of section 126(1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality.

Section 219 of the Constitution, read with the Remuneration of Public Officer Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act. These annual financial statements are within the upper limits of the framework envisaged in

S D Mbhele
Municipal Manager

Date

4.2 Audit Report

AUDITOR'S REPORT OF THE AUDITOR-GENERAL TO THE KWAZULU-NATAL PROVINCIAL LEGISLATURE AND THE COUNCIL ON UMUZIWABANTU MUNICIPALITY REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the accompanying financial statements of the uMuziwabantu Municipality, which comprise the statement of financial position as at 30 June 2011, and the statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, a summary of significant accounting policies and other explanatory information, as set out on pages ... to

Accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Local Government: Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and Division of Revenue Act of South Africa, 2010 (Act No. 1 of 2010) (DORA), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

3. As required by section 188 of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996), section 4 of the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and section 126(3) of the MFMA, my responsibility is to express an opinion on the financial statements based on my audit.
4. I conducted my audit in accordance with International Standards on Auditing and *General Notice No. 1111 of 2010* issued in *Government Gazette No. 33872 of 15 December 2010*. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the municipality's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipality's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
6. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

7. In my opinion, the financial statements present fairly, in all material respects, the financial

position of the uMuziwabantu Municipality as at 30 June 2011, and its financial performance and cash flows for the year then ended in accordance with SA Standards of GRAP and the requirements of the MFMA and DORA.

Emphasis of matters

I draw attention to the matters below. My opinion is not modified in respect of these matters:

Restatement of corresponding figures

8. As disclosed in note 37 to the financial statements, the corresponding figures for 30 June 2010 have been restated as a result of an errors discovered during 2010-11 financial year in the financial statements of the uMuziwabantu Municipality at, and for the year ended, 30 June 2010.

Irregular expenditure

9. As disclosed in note 41 to the financial statements, irregular expenditure to the amount of R1, 091 million were incurred as a result of proper procurement process not followed.

Unauthorized expenditure

10. As disclosed in note 39 to the financial statements, unauthorized expenditure to the amount of R3, 965 million were incurred as a result of overspending on bad debts, depreciation, general expenditure, afforestation scheme general expenses, loss on disposal of property plant and equipment.

Material losses

11. As disclosed in note 26 to the financial statements, material distribution losses amounting to R4, 642 million for electricity were incurred, as a result of electricity distribution losses.

Other matters

I draw attention to the matters below. My opinion is not modified in respect of these matters:

Material inconsistencies in other information included in the annual report

12. I have not obtained the other information included in the annual report for my review and as such have not been able to identify any material inconsistencies with the financial statements.

Unaudited supplementary schedules

13. The supplementary information set out on pages XX to XX does not form part of the financial statements and is presented as additional information. I have not audited these schedules and accordingly I do not express an opinion thereon.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the PAA and in terms of General Notice No. 1111 of 2010, issued in Government Gazette No. 33872 of 15 December 2010, I include below my findings on the annual performance report as set out on pages ... to ... and material non-compliance with laws and regulations applicable to the municipality.

Predetermined objectives

Presentation of information

14. The following criterion is relevant to the finding below:

- Performance against predetermined objectives is reported using the National Treasury guidelines.

15. The following audit finding relates to the above criterion:

Reasons for major variances between planned and actual reported targets were not provided in the report on predetermined objectives

16. Adequate explanations for major variances between the planned and the actual reported targets for all selected objectives were not provided, contrary to the relevant reporting guidance.

Usefulness of information

17. The following criteria are relevant to the findings below:

- Consistency: Objectives, indicators and targets are consistent between planning and reporting documents

18. The following audit findings relates to the above criteria:

Reported objectives, indicators & targets are not consistent when compared with the planned objectives, indicators & targets

19. Reported performance against predetermined objectives, indicators & targets is not consistent with the approved integrated development plan.

20. The actual achievements with regard to planned objectives, indicators & targets specified in the integrated development plan for the year under review were not included in the report on predetermined objectives submitted for audit purposes.

Compliance with laws and regulations

Annual financial statements

21. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122 of the MFMA. Material misstatements of liabilities, expenditure and disclosure items identified by the auditors were subsequently corrected resulting in the financial statements receiving an unqualified audit opinion.

Procurement and contract management

22. Awards were made to providers who are persons in service of other state institutions, in contravention of the requirements of SCM regulations 44.
23. Goods and services with a transaction value of between R10 000 and R200 000 were procured without obtaining written price quotations from at least three different prospective providers as per the requirements of SCM regulation 17(a) & (c).

Expenditure management

24. The accounting officer did not take reasonable steps to detect and prevent irregular expenditure, as required by section 62(1)(d) of the MFMA.

INTERNAL CONTROL

25. In terms of General notice 1111 of 2010, issued in Government Gazette No. 33872 of 15 December 2010, I considered internal control relevant to my audit, but not for the purpose of expressing an opinion on the effectiveness of internal control. The matters reported below are limited to the significant deficiencies that resulted in the findings on the annual performance report and the findings on compliance with laws and regulations included in this report.

Leadership

26. Personnel involved in the compilation of the predetermined objectives and reporting do not have a full, clear understanding of the performance reporting framework and guidelines.

Financial and performance management

27. The accounting officer has not developed processes to ensure that all requirements of laws and regulations are complied with timely.
28. The chief financial officer did not adequately review the financial statements before submission for audit.

INVESTIGATIONS

29. Investigations completed during the financial year

An investigation regarding the EFT payments made without proper authorization was concluded during the year. A former municipal employee was found guilty by the court of law.

Pietermaritzburg
30 November 2011



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

4.3 Municipal Corrective Actions

No.	Finding	Page No.	Corrective Action			
			Classification	Description of Management Action	Responsible Person	Targeted Completion Date
	Cash and Cash equivalents					
1	Investment- non compliance with investment policies			Compliance with investment policy will be monitored and reconciliations done monthly. The supporting documentation such as investment certificates, confirmation of capital invested, investment transfer form, and quotes will be kept in a safe place. Implementation of a checklist for investment policy compliance monitoring.	Manager: Accounts & Equities	Ongoing
	Compliance					
2	Information to be placed on the websites of municipalities			Compliance checklist will be implemented.	CFO	31-Jan-12
3	Provincial Treasury Circular TC/RM 9 of 2010/11			Compliance checklist will be implemented.	CFO	31-Jan-12
	Employee costs					
4	Employee cost (overtime)-employees paid more than 30% of their monthly salary			Monthly monitoring of overtime budget is reported and compliance with BCEA is adhered to in terms of the no of overtime hours worked per week and month by employees	All HOD's	Ongoing
	Inventory					
5	Inventory write off of not approved			Compliance checklist will be implemented.	CFO	31-Jan-12

Movable assets						
6	Insurance claims			Procedures for reporting and time frames will be developed and staff notified of the reporting processes.	Manager: Income	31-Jan-12
7	Old Assets still on asset register			Quarterly asset identification will be conducted and all obsolete or damaged assets will be identified for disposal	CFO	Ongoing
8	Asset register and GL reconciliation not performed			Monthly identification of new asset additions will be conducted and the GL and Assets register reconciled.	CFO	Ongoing
9	Expenditure-SLA/Contract or supporting documents not provided			Contracts register to be implemented and masterfiles of contracts to be kept by registry.	MCS	Ongoing
10	Prohibited awards resulting into irregular expenditure			Block list has been created from the CAATS exercise conducted by the AG. Awaiting response from Provincial Treasury on the database to be created which will enable Municipalities to verify if members of companies are in the service of the state.	Manager: Expenditure	31-Dec-11
11	Non compliance with procurement process and contract management			All procurements shall have 3 quotes except for those subject to the petty cash procurement process, If less than 3 quotes cannot be obtained a deviation form with the regulation 36 conditions has been introduced. All contract related payments are cross referenced to the contract as per the contracts register.	CFO/ ALL HOD's	Ongoing
12	Expenditure - Expenditure outside the approved delegation of authority limits			The delegations register has been compiled and the processes will be aligned to the delegations as per	MM	31-Jan-12

			register.		
13	Expenditure: Excess of financial delegation authority limits		The delegations register has been compiled and the processes will be aligned to the delegations as per register.	MM	31-Jan-12
14	Declarations of interest		Annual declarations will be done and a compliance checklist compiled	MM	30-Jun-12
15	Disclosure of interests by councilors		Annual declarations will be done and a compliance checklist compiled	MM	30-Jun-12
16	Computer audit exceptions		the prohibited service providers will be blocked on the system however we will await the state employees database to be compiled by Provincial Treasury and COGTA for which municipalities will have access to confirm status of bidders.	CFO	subject to database availability
17	Tenders and tender results not advertised on the municipal website		monthly update and compliance checklist to be compiled	CFO	Ongoing
18	Expenditure - Projects not registered with Construction Industry Development Board (CIDB)		monthly update and compliance checklist to be compiled	PMU	Ongoing
19	Contract Register not adequately maintained		A register has been initiated and related payments cross referenced to the contracts. All master copies of contracts will be kept at records with copies kept at finance for payment purposes.	MCS	In place

20	Expenditure: Invoices not paid within 30 days of receipt of invoice		A received stamp will be used to stamp all payments on receipt. On transmission to Finance the invoices will be recorded in a register of invoices and distributed to the respective Departments for certification before they are paid. A turnaround time for return will be communicated to all departments.	MCS/CFO	immediate
21	Expenditure - Non compliance with Procurement process		All procurements shall have 3 quotes except for those subject to the petty cash procurement process, If less than 3 quotes cannot be obtained a deviation form with the regulation 36 conditions has been introduced. All contract related payments are cross referenced to the contract as per the contracts register.	CFO	Ongoing
Receivables					
22	Receivables - Insufficient control over Receivables		Monthly checking of debtors ageing to Disconnection and hand-over lists to ensure collections/disconnections are done.	Manager-Income	Ongoing
Revenue					
23	Revenue - Higher tariff rate used		This was due to NERSA approving tariffs different to Council's proposed and advertised tariffs. Tariffs are changed annually therefore and adverts have been amended to incorporate NERSA's approval to avoid ambiguity	CFO	monthly
24	Fines - revenue (completeness)		Negotiate with the Dept.of Justice on a standard procedure for reporting fines which have been paid	Manager: Income	28-Feb-12

25	Revenue- Distribution losses		Technical Services to monitor electricity losses and develop a mitigating plan of action to minimise the loss to an acceptable level.	MTS	16-Feb-12
26	Unspent Grants and Subsidies		Grants register will be maintained and reserves to repay the unspent grants will be planned. Progressive monthly Cash flow statements will be prepared so as to plan the cash resources requirements.	CFO	31-Jan-12
Unauthorised Expenditure					
27	Unauthorised Expenditure		Non cash items on budget made up the unauthorised expenditure and as such the budgeting process will take into account the information such as assets register and proposed additions in the budget year to calculate the projected budget expenditure, Bad debts provision to be estimated accurately looking at the payment trends and debt collection policy. Mapping of the financial statements and budget will be made part of the working paper file so that correct matching of figures can be made.	CFO	30-Jun-12
Predetermined objectives					
28	AOPI - Reported information not consistent with planned objectives, indicators and targets		To ensure that all reporting personnel fully understand the reporting criteria and what should be reported on. To develop a template with specific examples to assist all users	Manager Strategic Planning	31-Dec-11
29	AOPI - Reasons for major variances between planned and actual reported targets		To conduct training sessions for all managers or users reporting on actual against planned targets to enhance understanding and method of	Manager Strategic Planning	31-May-12

			reporting.		
30	AOPI - Incomplete reporting on all predetermined objectives		A monthly monitoring system will be developed to monitor all predetermined objectives are being reported on.	Manager Strategic Planning	31-Dec-12
31	AOPI - Inadequate content of the Integrated Development Plan		The alignment of IDP, budget, and SDBIP is critical to foster sound reporting. All set objectives, indicators will be included in all relevant strategic documents to ensure proper alignment and reporting	Manager Strategic Planning	31-Jul-12
32	MM Performance contract not approved		All performance contracts will be monitored to ensure all are signed on time and approved.	Manager Strategic Planning	31-Jul-12

Legend

-  Misstatement in financial statements
-  Misstatement in annual performance report
-  Non-compliance with laws & regulations
-  Internal Control deficiency

CHAPTER FIVE

ANNUAL PERFORMANCE INFORMATION AS PRESENTED TO AUDITOR GENERAL

DEPARTMENTAL REPORTS : OFFICE OF THE MUNICIPAL MANAGER				
Key Performance Area /Municipal Strategic Objective	Key Performance Indicators	SDBIP Targets/ Unit of measurement	Actual Achievement/ Performance	Means of Verification
STRATEGIC PLANNING OFFICE				
Institutional Development and Transformation	Set up Internal Strategic Consultation processes(MANCO meeting)	Number of meetings convened successfully	12 Management Committee Meetingscoordinated. The meeting resolved on matters and coordinated the implementation of resolutions	Attendance registers and minutes
	Develop final draft IDP document to be presented council for consideration in May 2011	Date of approval of the final Draft IDP	Draft IDP document developed and Approved in May 2011 and submitted to COGTA	Minutes and resolution of council meeting
	Development of Draft SDBIP that has clear set target for departments	Date adoption of SDBIP	SDBIP developed and tabled to EXCO in June	minutes of the meeting
Good Governance And Community Participation	Engage with national and Provincial Sector Departments on sector plans for the alignment with IDP	Number of consultative meetings convened with sector departments	12 IDP representatives Forum meetings have been convened.	Attendance registers and minutes
	Sharing of best practices among planners within UGU family of municipalities	Number of planners forum meetings attended	8 meetings were attended which have assisted with capacity building among members and sharing of ideas	Minutes of meetings
	IDP Review and public consultation. Public participation meetings,	Number of consultative meetings convened IDP/Budget Road shows	18 meetings were convened successfully, communities made inputs	Minutes of road shows

	consultation of communities regarding the budget and IDP processes.		towards the IDP and Budget priorities	
	Submission of the Draft Annual Report to National and Provincial Treasury	The Draft Annual report was submitted to Provincial Treasury on the 15 September 2010	The Draft Annual report was submitted to Provincial Treasury on the 15 September 2010	Letter of submission from treasury
	Development of municipal Annual Report	First Draft Annual Report 2009/2010 should be table to council by the January 2011	First Draft Annual report tabled to council in January 2011	Council minutes and resolution
	Development of municipal Annual Report	Final Draft Annual Report 2009/2010 should be table to council by the January 2011	Final Draft Annual Report tabled to council on the 31 st March 2011	Council minutes and resolution
	Ensure annual report is interrogated by council and published in the public media	Date of the Publication of the report in the public media	Development of a consolidated annual oversight report conducted and published in March 2011	Media publication
	Submission of the Municipal Performance Information to Provincial Treasury	Submission date 31 August 2010	The Annual Performance information was submitted on the 31 st August 2010	Confirmation letter of submission from treasury
Good Governance And Community Participation	Time schedule of key deadlines for the IDP/Budget process Plan 2010/2011	Develop a Process Plan and tabled to the IDP Forum in August 2010 and presented in EXCO for adoption	The Process Plan was adopted by EXCO in September 2010 with comments from office the MEC for Cooperative Governance	IDP Forum and EXCO minutes and attendance register
	Evaluation and assessment of the Municipal Performance	Number of reviews conducted looking at performance and compliance with legislative requirements	2 Quarterly reviews have been held. The third and fourth quarter will be conducted on the 05 September 2011	Quarterly reviews reports and minutes of the meetings
	Mid Year performance assessment report	Date of approval of the report	19 TH January 2011 the report was tabled	Mid Year performance assessment report
	Development of a Strategic Environmental Assessment for the municipality	Production of Strategic Environment assessment plan for the municipality, Establishment of a project steering committee	Service provider was appointed in 2009, production of the 1 st draft SEA Document presented	Copy of the 1 st and final draft document available

			to steering committee. The final draft received by the committee for approval	
	Develop Mid year performance assessment report	Table Mid year performance assessment report to the Executive Council in January 2011	Mid year performance report submitted within schedule	Minutes of the executive committee
	Set up internal Strategic Consultation processes within Departments	Number of departmental meetings convened	15 departmental meetings convened to review performance.	Departmental meeting minutes
	Spatial Development Framework and Land Use Management Review/System	Development of Land Use Management System and Spatial Development Frame for Umuziwabantu	A Service provider was appointed by the district for the development of SDF and LUMS of all municipalities within the district. Presentations to councils have been conducted. Service provider to provide the final draft to council for approval and adoption.	Copy of the 1st Draft document available

DEPARTMENTAL REPORTS : OFFICE OF THE MUNICIPAL MANAGER				
Key Performance Area /Municipal Strategic Objective	Key Performance Indicators	SDBIP Targets/ Unit of measurement	Actual Achievement/ Performance	Means of Verification
SPECIAL PROGRAM OFFICE				
Institutional Development and Transformation	Set up structures to deal with HIV and AIDS epidemic at municipal level	Date of launch of the structure	Umuziwabantu Local AIDS Council was launched 31 August 2010	Attendance register and report council
Good Governance And Community Participation	Create awareness and commemorate WORLD AIDS DAY	Consultation meeting of all stakeholders in the approach to implement to deal with the infection rate within the district.	The Stakeholder engagement meeting event was hosting by Umuziwabantu for the entire District	Report to community service portfolio committee meeting
	Election of a District Gender Forum	Date of election the district structure	Umuziwabantu gender forum participated one member elected into the structure, the elections were conducted on the 22 nd October 2010	Attendance register
YOUTH DEVELOPMENT OFFICE				
	Financial support to young people residing within the municipality to study at tertiary institutions across the country	Number of young people assisted by the municipality	22 young people benefited from the programme with registration fees to institutions of their choice in the 3 rd quarter and 19 in the fourth quarter	Applications approved by council and minutes of EXCO meeting
Good Governance And Community Participation	Continuous provision of information and support of young people of umuziwabantu in general	Number of young people assisted through references	Number of young people assisted	Attendance registers in the youth centre Walk-ins of young people into the youth centre
	To ensure Institutionalization and mainstreaming of Youth Development in the municipality	Number of Youth Council meetings held looking at Youth development programs	5 meetings were successfully held	attendance register and minutes of meetings
	Ensure continuous engagement of young	Number of young people that participated in the sports	On the 8 th August 2010. Umuziwabantu participated	Reports and minutes to portfolio committees

	people in sports activities (winter games). Promotion of healthy living	games	in the district games and on the 11st – 14 December 2010 Umuziwabantu participated in the Provincial games.	
	exposure of Youth people to deferent career pants through Career Exhibition	Date of the Exhibition hosted	The activity was achieved as planned on the 02 nd February 2011 and all high schools within Umuziwabantu Jurisdiction participated.	Attendance register
	Create a platform for young people to review performance of the youth office and review programmes through youth summit	Date of the Youth summit	On the 20 th August 2010 the youth summit was successfully hosted by the Youth Development of Office	Summit resolutions and attendance registers.
	To engage young people in program which deal with moral decay among young people of Umuziwabantu InkonzoYabantuabasha. Moral regeneration program	Hosting of a Moral regeneration program, date of the program	The program was hosted by the youth development office on the 27 th of November 2010. At the Harding sports complex. local artists from all respective wards were part of the entertainment alongside Thobekile Mkhwanazi and Sbu Buthelezi of Ukhozi fm.	Report to portfolio committees and minutes of meeting
	Enhancement of public participation in the maintenance of public facilities	Maintenance or painting of community Halls and schools	The program was not implemented due to lack of funds	
	Hosting of Sports Indaba	Programme not implemented due t lack of funds		

LOCAL ECONOMIC DEVELOPMENT OFFICE				
Social and Local Economic Development	Capacity building programme for SMME's within the umuziwabantu.	Training and provision of information on how to run businesses and source funding. Number of participants	Nine wards were visited with the view to build capacity to SMMEs 25 registered companies attended and 20 aspirant business individuals	Attendance Registers and report to Portfolio committee and EXCO
	Ensure co-operatives and Development and support Programme.	Number of coops supported/assisted (fencing, Irrigation system, and supply of sawing machines and poultry implements)	Seven cooperatives were supported financially(fencing, Irrigation system, and supply of sawing machines and poultry implements)	Application letters and minutes of council approving applications
	Provision of support to communities and schools through the Food Security Program (Flemish Programme)	Number of communities and schools benefiting from the initiative	25 community projects assisted 15 schools projects assisted	Report portfolio committee and quarterly reports
	Food Security Programme (FlamishProgramme)	The Item was tabled at the portfolio committee in November 2010.The report is attached in the LED Report	The report shared light on key projects implemented within the municipality: <ul style="list-style-type: none"> • Training of agricultural projects members • Fencing of agricultural projects. • Poultry infrastructure Is still on going 	Site visit by ward councillors

DEPARTMENT: CORPORATE SERVICES				
Key Performance Area	Key Performance Indicators	SDBIP Targets/ Unit of measurement	Actual Achievement/ Performance	Means of Verification
Institutional Transformation and development	Compilation of Agenda's & Minutes	No. of Agendas and minutes	28 Meetings convened for the year under review.	Minutes and Agenda's
	Enquiries and complaints	Number of enquiries attended Completed by December 2010	All inquiries are attended to on monthly bases Completed by December 2010	Letters and memo's
	Implementing a new website and an Intranet for the municipality	Planning, Designing, Implementing and Hosting of new municipal website and Intranet. Date of implementation	The implementation was initiated in March 2011	Report to portfolio committee and service provider report
	Development of Draft Budget 2011/ 2012 for corporate services	Date of submission to council	Draft budget submitted to council in March 2011	council minutes
	Development Draft SDBIP for the department setting realistic targets	Date of submission of SDBIP to the office of the municipal manager	Draft submitted to MM in May 2011	SDBIP Document
	Address issues raised by AG on 2009/2010 report. Corrective actions taken to remedy the situation	Date set to address or respond to matters raised in the report. Corrective actions taken to remedy the situation	Administrative queries addressed. Strategic queries like filling of vacancies awaiting finalization of Job Evaluation. Report submitted in March 2011	Report to internal audit committee. Circulars from KwaNALOGA
	Establish effective and efficient centralized data system control	Installation of Server Implementing date (a server solution)	The server was purchased and installed in June 2011	Purchase order number issued to SITA Expenditure – R185162.63
	Improve departmental functionality	No of meetings convened Departmental meetings	Partially achieved 3 meetings convened	Minutes and Agenda's
	Establishment of the Employment Equity plan	Developed by December 2011	Not achieved awaiting service provider(Local	Bid Committee 'Minutes

			Government Expert) to commence duties	
Institutional Transformation and development	Maintenance of the Lease Register	Monthly Reports	Not yet achieved 1 comprehensive report was submitted to Council	Reports to council
	Development of the Communication Strategy	Implementation date.	Not achieved was only Approved by Council in November 2010. Lack of human capital to perform the function	Bid Committees' minutes and council minutes
	Review of the Organogram	Date of implementation	Not achieved Tabled ate council in December 2010 and it was recommended that it be taken back to local labor forum	Minutes of LLF
	Implementation of in-service/Internship programme	Number of appointed interns	3 people were appointed as interns by September 2010	Training contracts in place.
	Development of the HR Policies	Date to finalize policies and presented to council. Completion of all outstanding Policies	3 policies were submitted to the relevant portfolio committee or council in February 2011	Minutes of Council
	Provision of primary health care to all communities within the municipality	No of patients received and treated and quality of service	24000 patients were received and treated in the municipal clinic	Clinic operating under the DOH
	Ensure improved education system and culture of learning and provision of Library service	Number of patrons visiting the library and services offered	169039 visited the library in the year under review	Library services report tabled at community services portfolio committee

DEPARTMENTAL REPORTS : TECHNICAL SERVICE

Key Performance Area /Municipal Strategic Objective	Key Performance Indicators	SDBIP Targets/ Unit of measurement	Actual Achievement/ Performance	Means of Verification
HOUSING UNIT				
Infrastructure Development And Basic Service Delivery	Construction of Low Income Houses at KwaFodo Ward 1 DOHS Funding	Construction of 1000 houses and Toilets as per approval by Dept. of Human Settlement	64 % achieved and completed. 641 houses constructed, the year under review no construction has taken place. IA awaiting top up funds from Human Settlement.	Progress report to council and housing forum. IA Report
	Construction of Low Income Houses at Izibonda/KwaMachi Ward 4,5,6,7 and 8 DOHS Funding	Construction of 1000 houses and Toilets as per approval by Dept. of Human Settlement	97% achieved or 991 houses constructed. No construction implemented in the year under review. Contractor is waiting for funds from their insurance.	Progress report to council and housing forum. IA Report
	Construction of Low Income Houses at KwaMaZakhele Phase 3 Ward 3 DOHS Funding	Construction of 1071 houses and toilets as per approval by Dept. of Human Settlement	The project is on planning stage (Tranche 1) The DOHS to approve funds for tranche 2. No work conducted in the year under review	Progress report to council and housing forum. IA Report
	Construction of Low Income Houses at KwaJali Ward 7and 9 DOHS Funding	Construction of 890 houses and Toilets as per approval by Dept. of Human Settlement	111 slabs have been completed. 16 houses constructed 1.Overall construction is progressing well.	Progress report to council and housing forum. IA Report
	Construction of Low Income Houses at KwaMbotho Ward 2	Construction of 1000 houses and Toilets as per approval by Dept. of Human Settlement	The project is on planning stage (Tranche 1) awaiting signing of agreements by the MEC	Progress report to council and housing forum. IA Report

	DOHS Funding			
	Construction of Low Income Houses at Bashaweni Ward 2 DOHS Funding	Construction of 1000 houses and Toilets as per approval by Dept. of Human Settlement	80 % achieved and completed on tranche 1 (Planning). Overall construction progress is now 0 %. The project is on planning stage (Tranche 1)	Progress report to council and housing forum. IA Report
	Construction of Low Income Houses at KwaDumisa Ward 1 DOHS Funding	Construction of 500 houses and Toilets as per approval by Dept. of Human Settlement	100% achieved and 353 houses completed. Overall construction progress is now 100 %. No construction in 2010/2011	Close out report
	Political Violence damaged Houses Ward 4 and 7 DOHS Funding	Construction of 16 houses as per current beneficiary list	No construction in the year under review. The project has been awarded to IA for implementation.	Progress report to council and housing forum. IA Report
	Waste Disposal Site Ward 3 Internal Funding	New Guard House, Boom Gate, Sliding Gate and Fencing	100% achieved and completed. Overall construction progress is now 100%.	Progress report to council.
	Fencing to Dump Site and Air Port Ward 3 Internal Funding	Repair to existing fencing	Not achieved and the project is on tender stage	Progress report to council.
	Electrification of community halls Ward 3 Internal Funding	Repair, and fitting of new electrical fittings and connection of power supply to community halls	100% achieved and completed. Awaiting Eskom to install power	Progress report to planning committee and council.
	Continuous inspections to new Housing developments Ward 3 (Bank Funding)	Number of inspections conducted	16 Houses were inspected and provided with building approvals Financed by the Different Banks and built by different Town Developers	Progress report to planning committee and council. Inspection reports

Key Performance Area /Municipal Strategic Objective	Key Performance Indicators	SDBIP Targets/ Unit of measurement	Actual Achievement/ Performance	Means of Verification
PROJECT MANAGEMENT UNIT				

Infrastructure Development And Basic Service Delivery	Rehabilitation of Murchison Street for small town rehabilitation in Harding.	Construction of sub base, lying of storm water channel and kerbs, new tar surface including wearing course.	Overall construction is now 85 % Contractor is behind his programme due to late site establishment. The late start has attributed to the contractor having insufficient resources and trouble with providing insurance and surety. The new completion date is the end of August 2011.	Planning, LED Minutes, June 2011, Infrastructure and Planning Report
	Rehabilitation of Hawkins Street for Small Town rehabilitation in Harding.	Construction of storm water pipes and installation of four way stop robots.	After long period of awaiting DOT approved design and drawings of stormwater drainage on the 13 June 2011 and contractor is busy with the site de-establishing and excavating for underground services. Overall construction is 10%	Planning, LED Minutes, July 2011.08.05 Consultant progress report end of June 2011.
	Community Park	Installation of recreational and public amenities i.e. Phase one included Ticket booth, Caretaker's Accommodation, Lighting Ablution Blocks, Open Braai Areas, Paved Walkways, Access Roads Parking Areas	100% completed. Quality of work is up to standard and in the retention period. Landscape is completed and maintenance period Ended.	Planning, LED Minutes, Consultant progress report end of June 2011. Final completion certificate and close up report have been submitted to COGTA
	Construction of Access Road Nhlabe to Kwangubelanga A2420 in Ward 8	The project involves the upgrade of 4.38 km of access road with associated stormwater control and low-level river crossing with bollards	Contractor started on 15 March 2011 and duration of the project to be 5 months which will end in September 2011. Contractor is on site Current progress of work is 10%	Planning, LED Minutes, July 2011.08.05 Consultant progress report end of June 2011.

	Emavatheni access road Ward	Road bed & shoulders, clearing & grubbing, Tipping	85%, Tipping is of material is in process	Consultant progress report end of June 2011. Planning, LED Minutes,
	Construction of Gravelling D 926 Roads in Ward 1	Contract awarded on the 24/04/2011 and handover of the site conducted on the 05/05/2011. Contract consists of gravelling existing road 3.1 km and includes wearing course.	90% completed and there is a section of the road that needs to be redone and tested.	Planning, LED Minutes, Consultant progress report end of June 2011.
	Construction of Phophoni access road Ward 5	Wearing course and finishing	100%, the project is near practical completion stage	Planning, LED Minutes, July 2011 Consultant progress report end of June 2011.
	Mangashuza Construction of a gravel access road in Ward 6	Relocation of services, Processing of in situ sub grades, and wearing course, construction of storm water drainage and provision of posted road signage.	Project is almost 100% completed	Planning, LED Minutes, July 2011 Consultant progress report end of June 2011.
	Machobeni access road Ward	Site establishment, material & plant on site. Clearing and grubbing, preparation of roadbed, tipping	95%, The borrow pit identified was exhausted and another source has been identified	Consultant progress report end of June 2011.
	Mabhungwini – 2.5 km. Construction of new gravel Access Road: Ward 2	Wearing Coarse completed with storm water drainage.	Overall progress of work is 90%	Consultant progress report end of June 2011.
	Registration of Dumpsite	EIA report finaliseetc which part of the scope of work.	Not achieved to appoint consultant for the implementation	

Social development and safety	Conduct Road Safety Projects	Number of projects conducted	12 Road safety campaigns conducted successfully	By monthly progress reports to portfolio committee
	Erection of Road Signs	Number of signs erected	38 signs erected achieved	By monthly progress reports
	Road Markings No of km	Total number of km's to be marked	44 km's of lines (marked)	By monthly progress reports
	Crime Consultation Meetings	Number of meetings	16 meetings conducted with deferent stakeholders to deal with crime in community participatory approach	By monthly progress reports
	Summons/Traffic fines/	Number of summons issued	1800 summons issued	By monthly progress reports
	Examination of vehicles	No of vehicles examined	338 vehicles were examined in 2010/2011	By monthly progress reports
	Motor Registrations & Licensing Units of one hundred	130 annual target	7078 motor registration and licensing have been conducted.	By monthly progress reports
	Driving Licenses Bookings	Number of bookings for the year	5246 driving bookings recorded For 2010/2011 financial year	By monthly progress reports
	Learners Licenses Bookings	Number of bookings	7848 learners licenses bookings recorded	By monthly progress reports
	Conduct Fire compliance inspections to Businesses premises	Number fire inspections conducted for the year	56 fire inspections conducted for the year under review	By monthly progress reports
	Conduct Rural Fire Prevention campaigns	Number of campaigns conducted	15 rural fire prevention campaigns conducted 100% achieved against	By monthly progress reports

			annual target	
	Provision cemetery graves	Number graves provided per year	98 graves	By monthly progress reports
	Grass cutting programme	Number of hectares maintained	3000 hectares	By monthly progress reports
	Creation of temporary jobs	Number job opportunities created	120 temporary jobs were created	By monthly progress reports

DEPARTMENT: FINANCE

Key Performance Area	Key Performance Indicators	SDBIP Targets/ Unit of measurement	Actual Achievement/ Performance	Means of Verification
Financial management and viability	Report on implementation of budget	Submit monthly, quarterly, half yearly and annual report to Council, Treasury	All monthly, quarterly and annual financial reports have been tabled at Council	Council Minutes
	Annual Financial Statement	Submit to the AG by the 31 of August 2010	2010/2011 AFS submitted to AG by the 31 August 2009	Receipt Letter from the AG
	Time schedule of key deadlines for budget and IDP process for 2010/2011	Tabled in August 2010	Both the budget and IDP process plans were tabled and adopted during the first quarter.	Council Minutes
	Review of Finance related policies	Table policies for adoption purposes	On the 11 May 2011 finance related policies were tabled to EXCO and council dept and credit control policies, Rates and Tariff	EXCO and Council Minutes
	Adjustments budget 2010/2011 budget	Tabled the adjustment budget in January 2010	On the 25 th January 2011 the adjustment was tabled to council.	EXCO and Council Minutes
	Draft Budget for 2011/2012	Tabled in March in 2011	Submitted to EXCO and Council on the 31 st March 2011	EXCO and Council Minutes
	Credit Control & Debt Collection Report	Monthly report to Finance Committee, EXCO and Council	All 12 report submitted to Finance Committee, EXCO and Council	Finance, EXCO and Council minutes.
	Development and adoption of the Indigent Register	Date of submission of the Indigent register to council	The indigent register was submitted to Council on the 27 th June 2011	Council minutes
	MPRA Implementation	Date of Implementation of the MPRA	Billing is done monthly and statements sent out on monthly basis	Monthly reports
	Expenditure management (Payroll & Creditors)	Submit monthly, quarterly, half yearly and annual report to Council, treasury	All monthly, quarterly and annual financial reports have been tabled at Council	Council Minutes
	Supply Chain Management	Monthly reports are submitted to	12 reports submitted to	

	Implementation	council	Council	Council Minutes
	Primary banking account detail submitted to Provincial Treasury and Auditor-General	Date of submission	The report was submitted in May 2011	Fax report
	Develop and submit a Draft 2011/2012 budget to National Treasury (3 Copies)	Date of submission of draft budget 2011/2012 to Council by acting CFO	On the 31 st March 2011 the draft budget was tabled and adopted, subsequently submitted to National Treasury	Council minutes
	Draft 2011/2012 budget to Provincial Treasury (1 Copy)	Date of submission of the draft budget 2011/2012 to Council by acting CFO	On the 31 st March 2011 the draft budget was tabled and adopted, subsequently submitted to Provincial Treasury	Council minutes
	Final 2011/2012 OPEX&CAPEX budget approved	Date of submission to council for adoption by May 2011	On the 09 May 2011 the CFO Tabled the operational expenditure and the capital expenditure to Council by CFO and was adopted	Council minutes
	Final 2010/2011 budget to National Treasury	Date of submission of the budget to National treasury	On the 09 th May 2011 the budget was Adopted by council and submitted to National treasury	Council minutes
Financial management and viability	Monitor the implementation of credit control and indigent policies	Provide monthly reports	Reporting monthly to Finance committee and council Achieved	Minutes of Finance committee
	Ensure monitoring of debt collection targets	Ensure continuous reporting is done monthly to the Finance Committee & Council	Monthly reports of debt collections table to finance committee	Minutes of Finance committee
	Monitor complaints received on inaccurate accounts	NO. of complaints (46)	All 46 complaints have been attended and addressed	Complains Register
	Continuous maintenance of valuation of properties (valuation roll) in terms of new property	Number of supplementary rolls conducted for the year in question	Two (2) supplementary rolls were produced or conducted by the valuator	Minutes of Finance committee and valuator report

	rates act			
	Electricity upgrade of the Prepaid system (cash power upgrade)	Implementation of upgraded system by January 2010	Not Achieved due failure of awarded service provider to implement system. A letter of termination of service was sent to service provider in June. To go out to tender in the first quarter in 2011/2012	Letter sent to service provider
	Ensure continuous improvement of Collection rate	% of collection rate of what is billed	72% collection rate was achieved	Monthly report submitted to finance committee
	Continuous preparation of DORA reports on all grants received	Submission of Monthly reports to National Treasury, Provincial Treasury	Monthly reports prepared and submitted to NT, PT (Achieved)	Monthly reports submitted to NT and PT
	Prepare Supply Chain Management reports in accordance with regulations section 71 of MFMA, policy and procedures	Submitted Monthly to MM, Mayor and Council	Monthly reports prepared and submitted to council (Achieved)	Council Minutes
	Update and Review of Supplier municipal database	Date of review of the supplier database	The review was successfully implemented on the 1 July 2010	Advert calling suppliers to update database information.
	Ensure municipal payroll is completed timeously and accurately	Has to be completed before the 25 th of each month	Achieved	Payday payroll reports
	Improve the payment of creditors on time in terms of Section 65 of MFMA	No. of creditors paid on time	Not Achieved	Invoices not submitted on time or submitted with errors

CHAPTER SIX

6.1 Oversight Committee Report

6.2 Council Resolution

6.3 Minutes of Standing Committee on Public Accounts

UMUZIWABANTU MUNICIPALITY

MINUTES OF THE 1ST MUNICIPAL SCOPA COMMITTEE MEETING HELD IN THE MUNICIPAL BOARDROOM, MURCHISON STREET, HARDING ON WEDNESDAY, 16 NOVEMBER 2011 AT 10H05

PRESENT

Cllr MV Nyathi	:	Chairperson
Cllr MS Charane	:	Member
Cllr X Ndlangisa	:	Member
Cllr HJ Ngubelanga	:	Member
Cllr SO Njongo	:	Member
Cllr CP Nkomo	:	Member
Cllr MV Vezi	:	Member

IN ATTENDANCE

Mr SD Mbhele	:	Municipal Manager
Mrs NA Sigwebela	:	Manager: Corporate Services
Ms NR Khayisa	:	Committee Clerk

1. OPENING

Councillor CP Nkomo opened the meeting with a prayer.

2. NOTICE OF MEETING

Councillor HJ Ngubelanga proposed and was seconded by Councillor MS Charane. Following which, it was

RESOLVED

2.1 That the notice of meeting be taken as read.

3. APPLICATIONS FOR LEAVE OF ABSENCE

There were no applications for leave of absence.

4. REPORTS

4.1 TERMS OF REFERENCE

The Manager: Corporate Services took members through the attached report relating to the terms of reference for Municipal Scopa explaining it in detail. The guidelines were handed out to the members. The Chairperson requested that the guideline for establishment of Municipal SCOPA be discussed in detail at the workshop which would be scheduled for members.

Councillor SO Njongo referred members to page 11 of the guideline, highlighting point 5.2 "when appointing the Chairperson of the Committee, Council must take into consideration the requirements of transparency, ethical behavior and general good government prescripts and point 5.3 " in deciding on the Chairperson, the Council may consider appointing

councillors from parties other than the majority parties in Council". He requested that as the Councillors from other parties would be happy if the Council in the near future considers electing the chairperson of the Municipal SCOPA from the opposition party. Councillor SO Njongo proposed and was seconded by Councillor CP Nkomo. Following which, it was

RESOLVED

4.1.1 That the Terms of Reference for Umuziwabantu Municipal SCOPA, be **NOTED**.

4.2 INTERNAL AUDIT REPORT: HUMAN RESOURCES

The Municipal Manager took members through the attached report relating to the above item explaining it in detail. He explained the role of the Internal Audit Committee and further explained that the Human Resources report has been done by Internal Audit Committee as the first assignment. The Manager: Corporate Services elaborated on the report. After going through the report page by page the following inputs and comments were received:-

Page 16. No advert issued to invite candidates for an interview

That the recruitment policy be revisited to incorporate employment of General Assistants positions.

That the list of General Assistants employed in the last 5 years, be submitted to the next meeting.

Page 17. Leave taken prior to it being approved by senior officials

Reasons to be specified on the leave forms if not signed by the Supervisor or the Head of the Department.

Page 18. Overtime pre-authorisation forms processed not signed by the supervisor

That thorough analysis be done per department on overtime pre-authorisation forms.

Page 19. Incorrect overtime rates

The formula in the payday application should be revised to calculate the rate of pay based on 250 working days.

Payday formulas should be approved by the delegated municipal officials prior to them being uploaded.

Page 21. Skills retention policy not in place

The Municipality is in the process of developing this policy. Implementation date would be 31 March 2012.

Page 22. Lack of staff attendance control

Attendance register should be monitored on a daily basis by Human resources.

The report regarding monitoring of the attendance register for employees including section 57 employees be forwarded to the Finance, Budget Control and Corporate Services committee.

Page 24. No signed employment contracts and job descriptions for General Assistants

The issue has been addressed, General Assistants sign a generic job description per section.

Page 26. Reference / background check no performed

Reference check has been performed to other positions, not relevant for General Assistants.

Page 27. No induction for newly appointed employees

New employees had been inducted, Human Resources to ensure that the attendance register is signed on the induction.

Page 28. Lack of controls over sick and family responsibility leave

The family responsibility leave for N Sigwebela should have been cancelled by HR as it was not taken.

Follow up regarding sick leave for ME Zulu be done and the report be forwarded to the next meeting.

Page 29. Processed leave application not approved

Documentation be checked whereby the supervisor and the HOD did not sign.

Councillor SO Njongo proposed and was seconded by Councillor X Ndlangisa. Following which, it was

RESOLVED

4.2.1 That progress on the corrective measures be a standard item in the Finance, Budget Control and Corporate Services Committee.

4.2.2 That the Internal Audit Report: Human Resources, be **NOTED**.

4.3 DRAFT ANNUAL REPORT

The Municipal Manager took members through the attached report relating to the Draft Annual report explaining in detail. He indicated that the Mayor and Municipal Manager's Comment were not inserted in the report. He added that the Auditor General's reports and the report of the Chief Financial Officer were not included in the draft annual report, as the Auditor General was still busy with the auditing.

The following comments and inputs were received from the members of the committee:-

CHAPTER ONE

Page 40 – Leadership and Management

Members requested that consultation be done regarding how the structure of leadership is reflected in the report, since the leadership has been change due to the newly elected leadership.

CHAPTER TWO

Page 53 – Technical Services Department Organogram

Members requested that the organogram which was adopted by Council in 2008 be inserted not the proposed organogram.

Page 61 – Declarations

The Municipal Manager clarified that the salary for the Chief Financial Officer shows what had been paid for the CFO.

CHAPTER THREE

Page 63 to 64 – Social and Local Economic Development

Izinyosi Honey Production - members raised a concern saying that there has been no progress in 2010 for the Izinyosi Honey Production.

TV Network – Network for ward 7 still not addressed.

Page 82 – Infrastructure Development and Basic Service Delivery

Electrification of community halls in ward 3 be checked if it's not in ward 2 and progress for halls in other wards be included.

Page 84 – a follow up be done regarding construction of a new gravel access road for Mabhungwini, as the community was not satisfied with the work done by the Contractor. Members requested that the Manager: Project Management Unit be invited to the next meeting to give clarity on issues relating to Contractors who do not perform up to standard.

Page 88 –Financial Management and Viability

With regards to improvement of payment of creditors on time in terms of Section 65 of MFMA , the Municipal Manager clarified that creditors are paid within 30 days after having received the invoice.

CHAPTER FIVE

Page 95 – Council Members

Councillor HJ Ngubelanga to be included in the list of Councillors.

Councillor SO Njongo requested progress regarding Ugu Sanitation. Municipal Manager explained that the report regarding Ugu Sanitation will form part of Ugu Annual Report.

Page 123 – Fruitless and Wasteful Expenditure

The Auditor General's report for 2010 be checked regarding fruitless and Wasteful expenditure.

Following which, it was

RESOLVED

4.3.1 That the Draft Annual Report be **NOTED**.

4.4 TRAINING FOR MEMBERS

Management was requested to schedule two days training for the members of the Municipal SCOPA.

5. URGENT MATTERS

There were no urgent matters.

6. DATE OF NEXT MEETING

To be communicated.

7. CLOSURE

Councillor SO Njongo closed the meeting with a prayer at 13h04.



CLLR M V NYATHI
CHAIRPERSON: STANDING COMMITTEE ON PUBLIC ACCOUNTS (SCOPA)
28 MARCH 2012

MINUTES OF THE 1ST SPECIAL MUNICIPAL SCOPA COMMITTEE MEETING HELD IN THE MUNICIPAL BOARDROOM, MURCHISON STREET, HARDING ON WEDNESDAY, 29 FEBRUARY 2012 AT 10H07

PRESENT

Cllr MV Nyathi	:	Chairperson
Cllr X Ndlangisa	:	Member
Cllr HJ Ngubelanga	:	Member
Cllr SO Njongo	:	Member
Cllr CP Nkomo	:	Member
Cllr MV Vezi	:	Member

IN ATTENDANCE

Mrs NA Sigwebela	:	Manager: Corporate Services
Mr I Ogle	:	Acting Chief Financial Officer
Mr W Gumede	:	Manager: Strategic Planning
Ms NR Khayisa	:	Committee Clerk

8. OPENING

Councillor X Ndlangisa opened the meeting with a prayer.

9. NOTICE OF MEETING

Councillor HJ Ngubelanga proposed and was seconded by Councillor CP Nkomo. Following which, it was

RESOLVED

2.1.1 That the notice of meeting be taken as read with amendments.

10. APPLICATIONS FOR LEAVE OF ABSENCE

It was noted that Councillor MS Charane was on maternity leave from 05 December 2011 to 04 April 2012. The Municipal Manager was to join the meeting late. Councillor X Ndlangisa proposed and was seconded by Councillor CP Nkomo. Following which, it was

RESOLVED

10.1 That Councillor MS Charane is hereby granted leave of absence.

10.2 That the Municipal Manager is hereby allowed to join the meeting late.

11. REPORTS

11.1 AUDITOR'S GENERAL REPORT

The Manager: Corporate Services took members through the attached report relating to Auditor General's report. She explained that the powers and functions of the Municipal SCOPA, amongst other are to assist Council hold the executive and the municipal administration to account, by means of examining the Audit Reports on Annual Financial Statements of the Municipality and any reports issued by the Auditor General on the affairs of the Municipality.

The Acting Chief Financial Officer took members through the tabled corrective measures explaining it in detail. He indicated that the responses relating to corrective measures are based on the findings from the Auditor General and the Management letter.

At 11h00 Councillor SO Njongo proposed that the committee be adjourned to allow management to correct the report and management corrective actions and was seconded by Councillor HJ Ngubelanga. The meeting resumed at 11h15.

On return, the Acting Chief Financial Officer went through the tabled corrective measures explaining the following in detail:-

- Cash and cash equivalents
- Compliance
- Employee costs
- Inventory
- Movable assets
- Receivables
- Revenue and
- Unauthorised expenditure

The Manager: Strategic Planning went through the predetermined objectives explaining the following in detail:-

- Usefulness of information
- Reported objectives, indicators and targets are not consistent when compared with the planned objectives, indicators and targets.
- Compliance with laws and regulations
- Annual financial statements
- Procurement and contract management
- Expenditure management

Councillor SO Njongo raised a concern regarding reported objectives, indicators and targets that are not consistent when compared with the planned objects. He requested that quarterly reviews should be prioritized to monitor Performance Management system. The Manager:

Strategic Planning informed members that the 07th and 08th of March 2012 had been set for Quarterly reviews. He further requested that dates for quarterly reviews be part of the schedule of meetings. Following lengthy discussions and clarifications on questions raised, Councillor SO Njongo proposed and was seconded by Councillor MV Vezi. Following which, it was

RESOLVED TO RECOMMEND TO COUNCIL

- 11.1.1 That Performance Management System (quarterly reviews) be prioritized by the Council.
- 11.1.2 That the Municipal Manager and the Speaker communicates to make quarterly reviews a success.
- 11.1.3 That dates for quarterly reviews be included in the Schedule of council meetings in the following year.
- 11.1.4 That the list for declarations of interest be submitted to the next meeting.
- 11.1.5 That the list of unspent grants and the reasons be submitted to the next meeting.
- 11.1.6 That the committee notes the report.
- 11.1.7 That the committee notes the recommendations on corrective measures of both the Auditor General's report and Management report.

11.2 DRAFT ANNUAL REPORT

The Manager: Strategic Planning took members through the attached draft annual report explaining it in detail. After going through the Draft Annual Report the following inputs and comments were received from the members:-

Page 16 Correction of Thokozani Bashana to read as Thokozani Madumisa.
Tribal area to be corrected as Tribal Authority

Page 21 Councillors initials be corrected.

Page 30 Attendance register for IDP forum, Housing forum, Labour forum, Finance, Budget Control and Corporate Services and Council be submitted to the next meeting.

Page 42 Remuneration of the Chief Financial Officer be reflected as an Expenditure.

In-kind Benefits to reflect that only the Mayor and the Speaker are provided with secretarial support.

Page 45 Under TV network "wards have all been visited "to reflect as some Areas, KwaMachi be changed to reflect as KwaJali.

Under Cell phone network line 7 the word "create" be included in the sentence.

Page 52 A concern was raised regarding Mabhungwini Access road which reflect as 100% complete, whilst the road was not done up to standard. Thereafter it was resolved that members of the committee visit Mabhungwini road for inspection on the 1st March 2012 at 3:00 o'clock. Councillor CP Nkomo requested that in the near future all projects should be visited by the committee after completion for inspection.

Page 53 The Manager: Strategic Planning to check which, funding for electricity was used and which one was sent back.

Councillor SO Njongo proposed and was seconded by Councillor X Ndlangisa.
Following which, it was

RESOLVED

4.2.1 That the Draft Annual Report be and is hereby **NOTED**.



CLLR M V NYATHI

CHAIRPERSON: STANDING COMMITTEE ON PUBLIC ACCOUNTS (SCOPA)

28 MARCH 2012

REPORT TO SCOPA

OVERSIGHT REPORT IN RESPECT OF THE 2010/2011 ANNUAL REPORT FOR UMUZIWABANTU MUNICIPALITY

DATE : 28 MARCH 2012

1. PURPOSE

To propose that the Municipal Council adopts the Oversight Report in respect of the 2010/2011 Annual Report.

2. BACKGROUND AND RATIONALE

2.1 Oversight Process

The Council resolved that the oversight role on the compilation of the 2010/2011 Annual Report be performed by the Standing Committee on Public Accounts (SCOPA). The Council took cognisance of the legislative framework prescription on members that should form part of a committee that plays an oversight role on the compilation of an annual report, when decided on assigning this role to the Standing Committee on Public Accounts (SCOPA).

The Standing Committee on Public Accounts (SCOPA) comprises of 6 non-executive councillors, which is in line with circular 32 of the Municipal Finance Management Act, Act 56 of 2003 and Sections 33 and 79 of the Municipal Structures Act, 1998.

The Standing Committee on Public Accounts (SCOPA) meeting was held on the following date to consider the Annual Report:

- 29 February 2012

The minutes of the above mentioned meeting are attached hereto as Annexure A

2.2 Consultation Process

Following the tabling of the 2010/2011 Annual Report at a Council meeting held on 25 January 2012, a public notice on the availability of the 2010/2011 Annual Report was placed in the local media. The community was invited to submit representations on the report. Copies of the Annual Report were placed for review at the following public places: Municipal library, Traffic Department, Main Municipal offices, Finance Department and Technical services department. The Standing Committee on Public Accounts (SCOPA) meeting was also advertised in the local newspapers inviting community participation in all its Committee meetings.

There were no written comments received from the members of the community.

2.3. Comments and Review by the Municipal Public Accounts Committee (MPAC)

2.3.1 Financial Matters – Annual Financial Statements - Section 121 (3) MFMA

It be NOTED that:

- The consolidated annual financial statements included in Chapter 4 of the Annual Report are the Statements that were submitted to the Auditor-General.
- The Auditor General expressed an unqualified audit opinion in respect of Umuziwabantu Local Municipality.
- The audit report is included in the Annual Report as tabled.
- Management corrective action plans to the audit findings raised by the Auditor-General have been tabled to Council and will be attached as an annexure to Chapter 4 of the printed annual report.

2.3.2.2. Human Resources and Other Organisational Management

That it be noted that in addition to possessing a tertiary qualification, the Municipal Finance Management Act, act 56 of 2003 prescribes that the Accounting Officer, the Chief Financial Officer, Senior Management, other financial officials and Supply Chain Management officials of the municipality must meet minimum financial management competency levels and competency levels for supply chain management. National Treasury issued Regulations on Minimum Competency Levels on the 15th of June 2007; the regulations prescribe the minimum competency levels for the aforementioned categories of officials. As prescribed and required by the regulations, a progress report on the attainment of the minimum competency levels is included in the annual report under the skills development section of the annual report.

3. STRATEGIC IMPLICATIONS

The adoption of the Oversight Report on the annual report is in accordance with the KPAs - Good Governance and Public Participation and Infrastructure and Basic Service Delivery.

4. LEGAL/ STATUTORY IMPLICATIONS

- Municipal Finance Management Act, 2003 (Act 56 of 2003) (Chapter 12).
- Municipal Systems Act, 2000 (Act 32 of 2000) (Chapter 6), as read with the Municipal Systems Amendment Act, 2003 (Act 44 of 2003).
- Municipal Structures Act, 1998 (Act 117 of 1998).

5. STAFF/ PERSONNEL IMPLICATIONS

None.

6. FINANCIAL IMPLICATIONS

The Annual Report and the oversight process are provided for in the 2011/2012 budget.

7. COMMUNICATION IMPLICATIONS/ PUBLIC RELATIONS

- A public notice inviting representations from the community was placed in the local media.
- Meetings of the Standing Committee on Public Accounts (SCOPA) were advertised in the local press and all meetings were open to the members of the public.

8. OTHER PARTIES CONSULTED

- The Auditor-General.
- Audit Committee
- Corporative Governance and Traditional Affairs (Cogta)

9. RECOMMENDATIONS

- a) That the Scopa approves the 2010/2011 Oversight report.
- b) That the Scopa having fully considered the 2010/2011 annual report, adopts it without reservation.
- c) That the Scopa recommends to Council that the 2010/2011 annual report oversight report be approved.
- d) That the Scopa recommends to Council that the 2010/2011 annual report be adopted without reservations.



CLLR M V NYATHI

CHAIRPERSON: STANDING COMMITTEE ON PUBLIC ACCOUNTS (SCOPA)

UMUZIWABANTU MUNICIPALITY

EXTRACT FROM THE DRAFT MINUTES OF THE 7TH COUNCIL MEETING HELD IN THE MUNICIPAL BOARDROOM, MURCHISON STREET, HARDING ON FRIDAY THE 30TH MARCH 2012 AT 10H00.

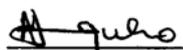
6.2 OVERSIGHT REPORT

Councillor M V Nyathi took members through the Oversight Report explaining it in detail. Councillor H J Ngubelanga proposed and was seconded by Councillor M J Jali and it was thereafter

RESOLVED:

- 6.2.1 That Council having fully considered the 2010/2011 Annual Report adopts the Annual Report and Oversight Report without reservations.

CERTIFIED AS A TRUE COPY OF THE ORIGINAL



CLLR AD NGUBO
CHAIRPERSON